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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Thursday, May 21, 1998

No. 35,836

TODAY:
TECHNOLOGY
Digital Video, Page 6

Wirelessly Connected, Hopelessly Stranded

Breakthrough
For Mobile PCs

Satellite Glitch
Silences Pagers

By Tom Buerkle

LONDON — Five leading high-tech companies introduced a technology on Wednesday that promises to accelerate the convergence of mobile communications and computing by allowing the wireless transfer of voice and data among mobile phones, laptop computers and other portable devices. The technology, which the companies call Bluetooth, uses short-range radio signals to connect mobile devices within a range of 10 meters. It will enable a laptop user to browse the Internet through a wireless connection to a mobile phone left in a handbag or jacket pocket, for example. It also could alert traveling business executives to an urgent e-mail message by ringing their mobile phones, the companies said. An executive could browse incoming messages on the phone's electronic display without pulling his or her laptop out of its carrying case. "I think it's the most important thing to happen to wireless in 20 years," Andrew Seybold, editor and publisher of Andrew Seybold's Outlook, a newsletter on computing and communications, told Reuters. The technology is based on an open standard developed by LM Ericsson AB, International Business Machines Corp., Intel Corp., Nokia AB and Toshiba Corp. Several other major companies have agreed to join the initiative, increasing the prospect that the technology will quickly become a global standard. "What we're all looking for is plug and play," said Johan Sjöberg, president of Ericsson Mobile Communications. "We need to be simple." The first products incorporating the new technology are expected to hit the market in the second half of 1999, Mr. Sjöberg said. The prototype Bluetooth connecting device is smaller than the average postage stamp and will sell for less than \$10. The companies plan to market it initially as an attachment to mobile phones or laptop computers, but eventually, it will be put directly into phones and computers. All branches of the information

NEW YORK — Millions of pagers that keep doctors in touch with patients, businessmen in touch with the office, and mothers in touch with the kids sat silent on Wednesday because a \$250 million communications satellite lost track of Earth. "This is the first time in 35 years that pagers have gone silent," said John Beletich, chairman and chief executive officer of PageNet Wireless Inc. of Dallas. "Virtually all paging companies have been affected." The pager has quietly woven itself deep into contemporary life. Doctors, firefighters, reporters, drug dealers and baby sitters use pagers, which outnumber cellular phones by about 2 to 1. They are not sexy, but they are cheap and easy to use. The Galaxy IV satellite, one of 17 operated by PanAmSat, stopped relaying pager messages and some radio and television feeds Tuesday evening when its onboard control system and a backup switch failed, causing the satellite to rotate out of position. Technicians were able to send commands to the craft but could not restore its orientation toward Earth, said Robert Bednarek, chief technology officer for PanAmSat. The voice-mail functions of paging services were still operating, but pagers were not beeping or vibrating to indicate the presence of a message. People with pagers must call in to see if any messages were recorded. PanAmSat started transferring services to other satellites Wednesday and said it would move another satellite into position in orbit. The company would not disclose its customer list, but Scott Baradell, a spokesman for PageNet, one of several companies whose services were interrupted, estimated that 80 percent to 90 percent of the 40 million to 45 million U.S. pager users lost service. Some paging service was restored by Wednesday morning by switching to a different satellite, but there was no indication when all paging and media feeds would be restored. The problem was of particular concern to doctors. Dr. Steve Dickens, a cardiologist at Cedars-Sinai Medical Center in Los Angeles, said he spent

See DATA, Page 10

See SATELLITE, Page 10

A Shocking Art Robbery Shakes Up Italian Justice

2 Van Goghs and a Cezanne Are Stolen in Rome

By Alessandra Stanley

ROME — With astonishing ease, three armed men hid in the National Gallery of Modern Art after closing time Tuesday night, tied up the guards and stole three priceless paintings — two Van Goghs, "The Gardener" and "L'Arlesienne," and a Cezanne, "Le Cabanon de Jourdan." The heist was as shocking as the theft of a Corot from the Louvre Museum in Paris this month. But for the Italian art world, the removal of the famous works was an even greater blow. Although overflowing with Renaissance treasures, Italy boasts very few European post-Impressionist and Modernist paintings. The two Van Goghs were the only oil paintings by the artist in Italy. The "Cabanon de Jourdan" was the only major Cezanne in Italy; the only

other painting by the master French Impressionist is a less-significant landscape in the Grassi Collection of the Gallery of Modern Art in Milan, which also owns a Van Gogh watercolor. The theft deepened a crisis in the Italian government as opposition leaders called for government leaders to resign. Italian law enforcement was already reeling from the escape Tuesday of a wheelchair-bound mobster, Pasquale Contrera, a convicted drug trafficker who had been extradited by Venezuela and released on a technicality. About to be rearrested on corruption charges, Mr. Contrera evaded his police guards and vanished. He was, moreover, the second well-known prisoner to escape this month. Licio Gelli, 79, the former grandmaster of a now-illegal Masonic lodge, P-2, disappeared from his home in Tuscany this month a few days before the Supreme Court was to confirm his conviction and 12-year sentence for fraud relating to the Ambrosiano Bank scandal in 1982. Justice Minister Giovanni Maria Flick turned in his resignation, but it was not accepted by Prime Minister Romano Prodi. Visibly shaken, Walter Veltroni, a deputy prime minister and minister of culture, said Wednesday that the fact

See THEFT, Page 10

The Dollar			
	New York	Wednesday 4 P.M.	previous close
DM	1.7703	1.7832	
Pound	1.8333	1.8214	
Yen	136.01	136.395	
FF	5.9385	5.981	
The Euro			
	Wednesday close	previous close	
+116.83	9171.48	9054.65	
S&P 500			
	change	Wednesday 4 P.M.	previous close
+9.51	1119.06	1109.55	

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11,300
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.800 CFA	Qatar	10.00 Qr
Egypt	1.000 LE	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Dh
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20

'AN OPPORTUNITY FOR STATESMANSHIP' Albright Nudges Suharto to Resign

By Brian Knowlton

WASHINGTON — Stepping up U.S. pressure for change in Indonesia, Secretary of State Madeleine Albright called Wednesday for President Suharto to "preserve his legacy" by permitting a democratic transition, an implicit call for him to step down. She said of the Indonesian leader, who vowed Tuesday to leave office but did not set a date, "Now he has an opportunity for an historic act of statesmanship." The remarks by Mrs. Albright, made in a speech at the U.S. Coast Guard Academy in New London, Connecticut, marked a delicate but deliberate escalation in Washington's response to the Indonesia

crisis, apparently gauged not to offend Mr. Suharto but to expedite a move he had promised to make. The Clinton administration, while stepping up calls for Indonesian reform as rioting has claimed hundreds of lives, has never directly suggested that Mr. Suharto, a longtime U.S. ally, step down. The secretary of state appeared to be walking a fine line in a speech to graduating Coast Guard cadets. She offered praise of Mr. Suharto, perhaps wary of offending Indonesian nationalists, while making it clear that his vow to step aside was viewed as dangerously vague amid gathering chaos. "President Suharto has given much to his country over the past 30 years," she said, referring to the country's economic growth.

On another topic, Mrs. Albright also repeated the U.S. condemnation of the recent Indian nuclear tests. "The leaders in New Delhi have made a grave historical error," she said, showing "reckless disregard for world opinion and for India's own reputation." Mrs. Albright called on Pakistani leaders to show restraint and resist pressures to stage their own tests. She also promised that the administration would "work hard with Congress, whose view of South Asia is already changing, to respond to Pakistan's economic and security concerns." (Page 5) "If Pakistan's leaders do not test," she said, "they will defy India's expectations and foil India's desire to

See SUHARTO, Page 10



THE TWO FACES OF THE ARMY — Indonesian soldiers high-fiving with peaceful protesters at the Parliament building in Jakarta, while nearby, army tanks blocked streets to prevent a planned rally.

In Jakarta, Students Carry On

But Behind Frolicking, It's 'Suharto Must Go!'

By Keith B. Richburg

JAKARTA — One small patch of Indonesia's capital was transformed into a full-fledged and rambunctious democracy on Wednesday as tens of thousands of university students — joined by teachers, school alumni, workers, professionals and housewives — converged on the grounds of the rubber-stamp Parliament and demanded that President Suharto immediately leave power. Behind a thin cordon of a few hundred armed troops, and with thousands

Movement lacks a leader. Page 4.

of sympathizers shouting encouragement from the streets outside, the students sang songs and chanted slogans. They waved the red and white Indonesian flag and hoisted banners demanding reform. They listened to fiery speeches from a makeshift stage, and they frolicked in a nearby fountain. They occupied the offices of the legislators, and the chambers where laws are passed. And they vowed to hold on to this single corner of defiance until their demand was met. By day's end, the students had won one major concession: The house speaker, Harmoko, agreed to deliver a letter to Mr. Suharto demanding he resign by Friday, or else a special session of Parliament would be called to formally vote on his dismissal. Few here were certain whether Mr. Suharto would cede to the ultimatum, or even how long it would take to arrange the extraordinary meeting that could rescind the president's mandate. But for the students, this move — coming from a longtime Suharto ally like Mr. Harmoko — was nothing short of revolutionary. "I think it's still a long ways off from actually being done," said a Western diplomat, who was monitoring Wednesday's events. "But for the students,

Whose Side Is Indonesia's Army On?

In What May Be a Fatal Mistake, Protesters Now Believe It's Theirs

By Nicholas D. Kristof

JAKARTA — If Indonesia's hard-line generals were trying to frighten people Wednesday by barricading streets with barbed wire and ordering citizens to stay in their homes, they met their match with the likes of Reta Simenjuntak, not to mention the 3-year-old daughter she was lugging on her hip. "They were trying to scare people," Mrs. Simenjuntak, a cheerful 29-year-old housewife, said of the army's warnings. And then she looked around and giggled, saying, "But it sure looks as if it didn't work." Tens of thousands of ordinary men and women like Mrs. Simenjuntak had gathered in a huge throng outside the Parliament building to demand that President Suharto be ousted and that a

more democratic system be put in place. The crowd blocked traffic and lustily cheered the university students while chanting such slogans as "Hang Suharto! Hang Suharto." Almost by the hour, the fear of Mr. Suharto is draining away in Indonesia, and the protesters are growing bolder. The demonstrators seem to have convinced themselves that the president is inexorably tumbling to the sidelines and that the army is on the side of the people. "We're not afraid of the army," said Harrington Garang, 33, a burly contractor. "The army is our friend." As a result of such views, one of Mr. Suharto's central problems in trying to remain in power is that for the first time in decades the Indonesian government seems more afraid of the people than they are of it.

The army's moves on Wednesday morning may have been an attempt to change that balance. State television carried ominous warnings that people should stay home or risk bloodshed, and troops erected barbed-wire barricades backed by tanks to block access to the square in Jakarta where a major rally had been planned. The army succeeded in keeping people away from the central square, but instead they gravitated toward the parliament building and a rally of sorts unfolded there without any army interference. The authorities had been particularly concerned that a huge rally in the square could escalate out of control, but they were less bothered by the idea of protests continuing at the distant parliament building. If the army was trying to dampen the

See FEAR, Page 10

See INDONESIA, Page 10

AGENDA

U.S. Trade Gap Grows Amid Asian Crisis

The U.S. trade deficit widened to \$13 billion in March, the government reported Wednesday. The news provided the clearest evidence yet of how Asia's mounting problems were affecting the American economy. The trade gap was considerably higher than economists had expected

and was the fourth consecutive monthly increase. The deficit in February was \$12.2 billion. The trade data showed that U.S. exports to Asia were declining and that imports from that region were growing, reflecting the strength of the dollar and the decline in the value of Asian currencies. Page 11.

House Bans Exports of Satellites to China

WASHINGTON (AFP) — The House of Representatives voted overwhelmingly on Wednesday to ban exports of satellites and missile technology to China. The vote, 417 to 4, came amid allegations that a U.S. company helped improve the reliability of Chinese missiles. Earlier article, Page 3.

PAGE TWO
The Brain Behind India's Bomb
Books..... Page 9.
Crossword..... Page 18.
Opinion..... Pages 8-9.
Sports..... Pages 18-19.
The Internet..... www.hlt.com



INDIA'S NO. 1 AT GROUND ZERO — Prime Minister Atal Bihari Vajpayee visiting Pokaran on Wednesday, site of India's nuclear tests last week. Mr. Vajpayee attacked global criticism of the blasts. Page 5.

At 'Dead Center' of Northern Ireland, Old Fears Are Painfully Alive

By Warren Hoge

DUNGANNON, Northern Ireland — In tones trembling with hurt, the people on the folding chairs in the municipal gymnasium were trading indignant charges over the upcoming referendum on the Northern Ireland peace settlement. Then the quiet and steady voice of Anne Slaine, a white-haired woman in a lilac dress, rose from the front row, and the room fell silent. "I take a very simplistic view of life," she said. "I would like to think I could live as an equal to my Catholic neighbor and live in peace and concord and happiness with them all. I, however, am the mother of a young man who was literally cut

in two by a rocket which went through his car, injuring him and killing a female colleague." She paused and smoothed her lap. "He is a victim and has to live with that the rest of his life," she said. "I have to watch him. I watch him going about the floor on his bottom using his arms to propel him, and it's a painful situation for me. His children, their friends are afraid of him because of how he looks." "I would like the situation in Ireland very much to change," she concluded, "but if I vote 'yes,' am I betraying him and everything he believes in?" In this typical Northern Irish town her comment typified the wariness of change, the fear of betraying family and communal loyalties and the resentful feelings of victimization that have left the

majority Protestant population of Northern Ireland reluctant about approving the peace settlement that they must vote on this Friday. The respectful silence lasted only a moment before the invective that passes for debate in this bitterly divided province resumed. From one side of the hall came a pledge to support the accord and a plea for forgiveness from the father of an Irish Republican Army fighter killed by the police in 1992. From the other came a vow to vote "no" from a woman who believed that the man had killed her father in 1977. "I'll never forgive them people as long as I live," said Serena Hamilton. A heavy-set man behind Mrs. Slaine growled,

"This to me is repugnant. Are people who vote yes prepared to acknowledge that the godfathers who planned these massacres will now sit in government?" Dungannon, a County Tyrone hill town of beef and dairy farmers, small businessmen and steep streets in the geographical middle of Northern Ireland, is sometimes slighted as "the dead center" of the province. Never a spot on fashionable itineraries, Tyrone and its neighboring county represented the enduring nature of the Irish conflict as long ago as the aftermath of World War I, when Winston Churchill warned that "as the deluge subsides and the waters

See ULSTER, Page 10

Outspoken 'Kalamitous' / Devotee of Shiva

'Others Have Come Here,' Says Father of India's Bomb

By John F. Burns
New York Times Service

NEW DELHI — Among the Indian scientists who successfully detonated five nuclear tests in the northwestern desert last week, none seemed more visibly delighted by the acclaim waiting in New Delhi than A.P.J. Abdul Kalam. An impish, shaggy-haired bachelor, Mr. Kalam is widely regarded as the central figure in India's drive to join the small club of nuclear-armed nations.

Mr. Kalam, 66, has never hidden the passion for a powerful India that has driven him since he was growing up in a poor family on the coast of Tamil Nadu. Among colleagues a new word, "kalamitous," was coined to capture the outspokenness with which Mr. Kalam greeted each new delay in the tests, or in getting the money to develop the missiles to deliver nuclear bombs.

When he returned to New Delhi over the weekend from the test site in Rajasthan, Mr. Kalam found himself a national hero, applauded and besieged for autographs, though the tests drew widespread condemnation in the rest of the world.

"We must think and act like a nation of a billion people, and not like that of a million people," he said. "Dream, dream, dream! Conduct these dreams into thought, and then transform them into action."

Only a few years ago, Mr. Kalam became so frustrated with the reluctance of successive governments to approve nuclear tests that he came close to quitting as the government's top scientific adviser to become vice chancellor of the University of Madras. On Sunday, when he appeared with other members of India's nuclear team at a news conference, nobody was surprised when Mr. Kalam stole the show with his readiness to flirt with political issues.

IN THE MIDDLE of a baffling exposition on "subcritical fissionable materials" and "electronic arming and fusing subsystems," Mr. Kalam turned to a favorite political topic — how a nuclear-armed India will be free of the fear of foreign invasions, which have constantly remolded the ancient Hindu civilization as armies of Macedonians, Persians, Afghans and Britons swept in.

"For 2,500 years India has never invaded anybody," he said. "But others have come here, so many others have come."

For many Indians, the references to invasions, many by Muslims, underscored an aspect about Mr. Kalam that is almost as engaging as his unguarded remarks, a biographical fact that is rarely mentioned: Like the captain of the na-



John MacDougall/Agence France Press

In one of his poems, 'Tumult,' A.P.J. Abdul Kalam asks, 'Did I explore space to enhance science, or did I provide weapons of destruction?'

tional cricket team, like some of India's top generals and newspaper editors and diplomats, like many of its top filmmakers and artists, Mr. Kalam is one of the 120 million Muslims in a nation of 700 million Hindus.

As India celebrated its arrival as a nuclear arms power, some said Mr. Kalam's role meant the world now has an "Islamic bomb," but one that belongs to India — an India ruled by Hindu nationalists. The term "Islamic bomb" describes the yearning among some of the world's 1 billion Muslims for the development of nuclear weapons by a Muslim country, most likely Pakistan, India's archrival, which is considering whether to respond to the Indian tests with one of its own.

But though Mr. Kalam is an observant Muslim, his attitudes and tastes speak of his immersion in the broader culture of India.

He is an avid reader of ancient Hindu scrip-

tures. He has published poems in Tamil, his first language. And one of his pastimes in his modest walk-up apartment in New Delhi is plucking a veena, a stringed instrument with a curved musical box at each end that is associated with Shiva, a Hindu god who is regarded as both creator and destroyer.

According to one Indian biography, Mr. Kalam knows by heart sections of the best-known Hindu sacred book, the Bhagavad-Gita. If so, this would give him another link to Robert Oppenheimer, the physicist who led the team that tested the first American atomic bomb, in the New Mexico desert on July 16, 1945. According to some accounts, after the predawn flash signaled the birth of the atomic age, Mr. Oppenheimer quoted a line attributed to Shiva in the Bhagavad-Gita: "Now I am become death, the destroyer of worlds."

A line in one of Mr. Kalam's poems suggests

that he, like Mr. Oppenheimer, has agonized over the moral aspect of his work. Before becoming the chief scientific adviser and leader of the nuclear-weapons team, Mr. Kalam was best known as a missile engineer, working on the program that launched India's first space satellites, and later as the head of the team that developed and test-fired missiles designed to carry nuclear warheads.

In an English translation, the poem, "Tumult," asks: "Did I explore space to enhance science, or did I provide weapons of destruction?"

AVUL PAKIR Jainulabdeen Abdul Kalam was born on Oct. 15, 1931, on Dhanushkodi, an island off Tamil Nadu, where his father rented a boat to fishermen who worked the narrow strait between India and what was then Ceylon, now Sri Lanka.

Some accounts have said that Mr. Kalam's affection for Hinduism developed when a primary-school teacher separated him as a Muslim and placed him at the back of a classroom, prompting tears from a Brahmin boy who was his best friend. Later, the Brahmin boy's father, spotting scientific ability in the young Kalam, helped pay for him to go to a Roman Catholic high school and to college.

Mr. Kalam has said his ambition was fired by an article about the Supermarine Spitfire, Britain's front-line fighter during World War II, that he read as a small boy delivering a local Tamil newspaper.

Later, he studied aeronautical engineering at the Madras Institute of Technology, but did not attempt a doctorate. (He has since garnered many honorary degrees.)

His only extended period abroad came when he was part of a five-man Indian team invited to spend four months visiting space research centers in the United States in the early 1960s, during the first year of the American manned-space program.

Several of the Indian scientists who led the nuclear test team, including Rajagopal Chidambaram, chairman of the Atomic Energy Commission, did postgraduate studies in the United States, as have many of the scientists who have worked on Pakistan's nuclear program.

But Mr. Kalam has insisted that India has achieved its successes in missile development and bomb-building substantially unaided, apart from some early assistance in rocketry from the United States and the Soviet Union.

As for himself, he says, "I am completely indigenous!"

After Pardon, U.K. Nurses Are Freed by Saudi Arabia

Compiled by Our Staff From Dispatches

LONDON — The two British nurses jailed for murdering an Australian colleague in Saudi Arabia were freed late Wednesday, the Foreign Office announced.

The two nurses, Lucille McLauchlan and Deborah Parry, who have been in jail since December 1996, should arrive in Britain on Thursday, a Foreign Office spokesman said.

The Saudi ambassador to London announced late Tuesday that the pair had been pardoned by King Fahd.

Miss Parry, 39, and Miss McLauchlan, 32, were tried for the murder of an Australian colleague, Yvonne Gilford, who was stabbed 13 times, battered and suffocated at a military hospital in Dhahran on Dec. 11, 1996.

They were arrested the same month and have been held in prison in Dammam, adjacent to Dhahran in eastern Saudi Arabia. Saudi authorities said that the women had confessed to the murder and that they had had a lesbian relationship with Miss Gilford. The confessions were later retracted, and the two pleaded not guilty.

Miss McLauchlan, from Dundee, Scotland, was found guilty of complicity in the murder last year and sentenced to eight years in prison and 500 lashes.

The sentence against Miss Parry, of Alton, England, was never formally announced by the Islamic court that tried the women, but she risked being beheaded as the main accused.

Miss Parry was saved when Miss Gilford's family in Australia waived its right to demand the death penalty in exchange for *diyya*, or blood money, of \$1.2 million, as provided under Islamic law. The money was raised mostly by British firms with major trading interests in Saudi Arabia.

But the money has yet to be released. Frank Gilford, the brother of the murdered woman, who has said that more than half of it will go to an Adelaide hospital, called Wednesday for the money to be paid.

The nurses' Saudi lawyer described the pardon as a "shining example of Islamic justice."

Miss McLauchlan's lawyer, Peter Watson, was unwilling to say much before the nurses were back home.

But he told BBC radio Wednesday, "The nurses continue to protest their innocence and certainly as far as the British lawyers are concerned we are aware of no evidence to implicate them in the murder of Yvonne Gilford."

The surprise news that the nurses were being freed came in a statement Tuesday night from the Saudi ambassador to Britain, Ghazi Alghosabi.

He said King Fahd had issued an order commencing the sentences of the two nurses to the time they had already spent in jail in response to a petition from their families.

It followed the personal intervention of Prime Minister Tony Blair of Britain, who raised the plight of the nurses in talks with King Fahd in Saudi Arabia last month. (AFP, Reuters)

Iran Shrugs Over U.S. Shift on Penalties

By John Lancaster
Washington Post Service

TEHRAN — Government officials have welcomed the Clinton administration's decision to waive penalties on a multinational energy consortium that plans to develop a vast Iranian gas field, calling it a possible step toward better relations between the two countries. But they did not exactly gush with gratitude.

"This has a positive aspect, and I think Iranians will positively receive it," said a senior Iranian diplomat. "But it doesn't mean too much concerning the relationship between the two countries."

Like other officials here, the diplomat expressed the

view that, given the depth of European opposition to U.S. Iran policy, Washington had little choice but to find a loophole in the Iran-Libya Sanctions Act, which penalizes foreign companies that invest more than \$20 million a year in Iran's energy industry.

Iran's tepid reaction to the waiver, announced Monday in London by President Bill Clinton and European Union officials, also reflected the prevailing belief among supporters of President Mohammed Khatami that Washington has failed to capitalize on Mr. Khatemi's proposal, made in a CNN interview last January, for informal dialogue between the two nations.

Many Iranian officials and academics contend that while Mr. Khatami has lived up to his promise to promote cultural exchanges between the two countries, the United States has not responded in kind. Continued hostility on

the part of Washington, they say, has strengthened the position of religious hard-liners in the Iranian Parliament and elsewhere who oppose Mr. Khatami's overtures to the West as a betrayal of the country's 1979 Islamic revolution.

The administration is "missing an opportunity" in the sense that the "CNN interview was a move on the part of Khatami that had to be responded to more concretely," said Hadi Semati, a political scientist at Tehran University. "The U.S. really didn't have to do a lot. It could just lower the rhetoric. There is a balance right now in Iranian domestic politics, and the balance has to be carefully observed."

The State Department has accused Iran of sponsoring terrorism, seeking to acquire nuclear weapons and trying to wreck the Middle East peace process. But Mr. Khatami's upset election victory last May and his subsequent overture to the United States were welcomed in Washington as a possible turning point in U.S.-Iranian relations.

Contrary to what many Iranians believe, the U.S. administration has taken modest steps to respond to Mr. Khatami's proposal, such as relaxing travel restrictions on

Iranian diplomats in the United States. And the State Department is considering an easing of entry barriers to visiting Iranians, following an embarrassing episode recently in which U.S. customs authorities in Chicago fingerprinted and photographed Iranian wrestlers arriving for a goodwill match.

In that context, Mr. Clinton's announcement Monday could be seen as a significant event. Not only does the decision waive penalties on three companies — Total of France, Gazprom of Russia and Petronas of Malaysia — involved in the \$2 billion project to develop Iran's South Pars gas fields, it also sets a strong precedent that is likely to encourage additional foreign investment in Iran, analysts say.

EU and Iran to Confer

Britain said Wednesday that the European Union and Iran planned to hold "substantive talks" after a possible meeting between senior officials in Brussels on Tuesday, Reuters reported from London. The spokesman said both sides hoped that the first round of these talks would be held shortly and lead to a more constructive relationship.

Bali Surviving Unrest

JAKARTA (AP) — As foreigners flee most cities in Indonesia, vacationers are still heading to the beaches of Bali, a resort island seen as a safe haven removed from the riots elsewhere.

"A lot of guests still feel Bali is a world of its own," said Rutger Verschuuren, general manager of the Holiday Inn Bali Hai, adding that occupancy at the 200-room resort was at 90 percent Wednesday.

Bali has its own international airport, so tourists can fly there without stopping in Jakarta.

The riots in Jakarta and other parts of Indonesia have dealt a devastating blow

to tourism, one of the principle sources of foreign exchange for Indonesia.

Strike Slows Athens

ATHENS (AP) — A four-hour work stoppage by civil servants and transit employees shut down public offices and snarled traffic in Athens on Wednesday. Olympic Airways, meanwhile, was hit with a three-hour strike.

Pollution caused by wildfires prevented four international flights from landing at Athens' main airport. The area is suffering one of the worst fire seasons in memory because of a drought blamed on El Niño. (Reuters)

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe	Today	Friday	Saturday	Sunday
Algeria	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Amsterdam	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Barcelona	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Berlin	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Bombay	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Buenos Aires	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Calcutta	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Caracas	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Chicago	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Cairo	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Colon	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Copenhagen	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Dallas	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Delhi	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Dhaka	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Edinburgh	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Frankfurt	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Hankow	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Hong Kong	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
London	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Los Angeles	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Madrid	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Moscow	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Mumbai	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Paris	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°	High 65° Low 45°
Peking	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Rangoon	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Rio de Janeiro	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Rome	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Sao Paulo	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Shanghai	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Singapore	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Sydney	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Taipei	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°	High 85° Low 65°
Tokyo	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°
Yokohama	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°	High 75° Low 55°

Legend: sunny, partly cloudy, cloudy, showers, thunderstorms, rain, snow, fog, haze, ice, wind, etc. Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - <http://www.accuweather.com>

North America Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Europe Today: Dry and chilly in Scandinavia Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Asia Today: Heavy thunderstorms likely in Beijing Friday, then dry and cooler this weekend. Dry and mild in Tokyo Friday and Saturday; a chance of rain Sunday. Rain will drench portions of southern China near Hong Kong. Thunderstorms will rumble across Seoul Friday into Saturday; drier and cooler Sunday.

Africa Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Oceania Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

South America Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Antarctica Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Arctic Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Equatorial Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Polar Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

Subsaharan Today: Partly to mostly sunny and dry in the Northeast Friday and Saturday, then a chance of showers and cooler this weekend. Sunday, dry and mild in the Midwest with some sunshine. Cool in the Pacific Northwest this weekend with showers Saturday and Sunday. Sunny and hot in the Southwest, but through Sunday. Turning cooler in the West coasters Friday to Sunday.

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THE AMERICAS

Big Night Out Ended Drug Sting

By Molly Moore
and Douglas Farah
Washington Post Staff Writer

The dozen men appeared to be just another gathering of high-rolling, well-heeled business executives who had traveled by private jet to discuss a major deal over dinner and drinks at a casino designed to look like a set from a classic Bogart movie.

After dinner, a convoy of limousines arrived to whisk the men from the Casablanca Casino Resort in Mesquite, Nevada, 75 miles (120 kilometers) across the desert for a night on the town in Las Vegas.

But the limos roared right past the neon lights of downtown and back onto the open highway, where policemen in patrol cars with lights blazing waved them to the side of the road.

Victor Manuel Alcala Navarro's chauffeur lowered the glass partition separating him from the passenger seats and apologized, saying, "Sorry, I guess I was speeding."

Mr. Alcala Navarro, allegedly a top money launderer for Mexico's most powerful drug cartel, peered out the window at a flock of plainclothes agents heading toward the car and responded: "I think this is more than just a speeding ticket."

The Saturday night limousine roundup on the outskirts of Las Vegas — as described Tuesday by U.S. Customs authorities familiar with the operation — was part of what law enforcement officials describe as the largest drug-money laundering case in U.S. history, one that for the first time tied Mexico's banking system directly to the wholesale cleansing of illicit drug profits.

The three-year sting operation, which was directed by the U.S. Customs Service, implicated some of Mexico's largest and most prestigious banks and penetrated Mexico's Juarez drug cartel.

Details of the investigation, in which more arrests were made Tuesday, have stunned Mexico's law enforcement, political and financial establishments — none of which was informed of the operation until the formal announcement in Washington on Tuesday.

While both Mexican and U.S. authorities have attempted in the past to prosecute individuals involved in specific cases of money laundering and have documented widespread corruption in Mexican law enforcement and political circles, never before has either government cast an investigative net that attempted to document systematic drug-based corruption in Mexico's financial institutions.

U.S. officials said the investigation could involve as much as \$152 million in more than 100 bank accounts in the United States, Europe and the Caribbean.

The sting operation, codenamed "Casablanca," began with a small-scale investigation three years ago in an attempt to "target and penetrate those people that were invisible to us."

Businessmen who routed millions of dollars in drug proceeds through complex financial paths that transformed the cash into apparently legitimate business proceeds, according to a senior U.S. Customs Service supervisor who directed the operation.

The sting was set in motion when undercover agents established a front company, which they called Emerald Empire Corporation, with offices in the

Los Angeles suburb of Santa Fe Springs, according to indictments unsealed in Los Angeles federal court Monday.

Agents posing as company executives then went in search of Mexican banks willing to accept their "dirty money." That the money was always presented as drug proceeds was never a factor with the Mexican bankers; the only debate was over the size of the commission the bank would receive for handling the money. Their cut was usually about 4 percent of the amount of the transaction.

The purported drug money was then deposited in Mexican bank accounts under fictitious names and companies. Once deposited, a corrupt banking official — sometimes a branch vice president or a division chief — would call an unsuspecting counterpart at a U.S. branch of the same bank and tell him to approve a transfer of money involving the fictitious company or individual.

Mr. Alcala Navarro, who quickly realized he had been trapped on the highway outside Las Vegas on Saturday night, was one of the undercover agents' best contacts, according to the indictment.

"Alcala Navarro would locate bankers who worked for banks based in Mexico and request their assistance in laundering money which was represented to be the proceeds of the sale of illegal narcotics," and he played a key role in recruiting other bankers, the indictment said.

It described a series of meetings between Mr. Alcala Navarro and law enforcement informers and undercover agents in which he allegedly arranged for the laundering of tens of millions of dollars on behalf of the Juarez cartel in Mexico and the Cali cocaine and heroin syndicate in Colombia.



President Ernesto Zedillo of Mexico listening to residents' economic complaints in the village of Chanal, Chiapas, during a visit to the embattled state. It was his second trip to Chiapas in the past three weeks.

POLITICAL NOTES

Organized Labor Changes Tactics

WASHINGTON — Organized labor, having learned some tough lessons in the last election, is making changes this time, cutting way back on television spending and putting more emphasis on old-fashioned grass-roots organizing, including a lot of door knocking and telephone calling. And the AFL-CIO will take on a modestly bipartisan campaign in 1998 by supporting a handful of Republican candidates sympathetic to labor.

Union leaders acknowledged that labor in 1996 failed in its principal goal of reversing the Republican majority in the House, but they contended that 1996 witnessed the first substantial revival of what had been a politically moribund labor movement.

Their goal this year is to elect labor-friendly House members.

"We will be focusing on issues rather than partisan politics because our members and the times demand it," the AFL president, John Sweeney, told the Democratic National Committee this month. "Instead of engaging in left-right politics, or even Democrat versus Republican politics, we'll be concentrating on bottom versus top politics." (WP)

Census Quarrel

WASHINGTON — Any pretense that the dispute over how to conduct the 2000 Census is about statistics, not politics, has been stripped away as a coalition of conservative groups joined in the fight and their opponents immediately accused them of being a front for the Republican Party.

More than two dozen organizations announced they were beginning a campaign to oppose the Clinton administration's plan for using a method called statistical sampling to estimate the country's population in the next census. They said sampling would increase the proportion of people counted in urban areas and end up cheating suburban and rural residents, who would lose federal funding as a result.

Representative Carolyn Maloney, Democrat of New York, shot back that the groups were "shills" for the Republicans.

While both sides have argued that their real goal is an accurate population count, the unstated reality is that both sides believe the way the census is conducted could determine whether the Republicans keep control of the House. (WP)

Quote/Unquote

The White House domestic policy adviser, Bruce Reed, in response to legislation expected to pass Congress shortly that would end the tobacco price-support program run by the Agriculture Department and cause an expected sharp drop in the price of tobacco: "We want a good bill for farmers, not a windfall for tobacco companies." (WP)

AMERICAN TOPICS

Churches Use Shock Ads To Galvanize the Young

Churches worried about the souls of the computer-and-rock-video generation are seeking converts with stark new ads that warn that the party will end someday, and possibly sooner rather than later.

In a parody of a popular ad campaign for milk-drinking, one TV spot features a bungee jumper realizing mid-fall that no one has secured his cord. As he lands with a thud, the announcer asks, "Got Jesus?" In another spot, a young man dons a tuxedo as an announcer says, "All dressed up for the most important day of your life." The camera pulls back to reveal the man sitting in a coffin.

The effectiveness of the ads is hard to prove, but some churches swear by them. The Word of Life Church in Wichita, Kansas, began broadcasting these and other youth-oriented ads four years ago. Its congregation has grown in that period to 800 from 150.

Shahe Harwell, marketing director for the Tulsa, Oklahoma, nonprofit company that develops the ads, denied that the ads are unduly shocking. "How are you going to shock

somebody who is into slam dancing or piercing their tongue?" he asked. "Some people complain about the ads, but then I look at what network TV is doing and you have to laugh that people would even raise an eyebrow."

Short Takes

Almost a decade after New York State passed laws to protect patients by reducing the grueling hours of medical residents, a state investigation of 12 hospitals has found that all 12 consistently break the laws, that many residents work longer than 24 hours straight, and that more than half of surgical residents work more than 95 hours a week, 15 hours more than the new limit set by law. But the investigation did not find that the overworked residents made any mistakes that jeopardized patients.

The Papillon Times in Sarpy County, Nebraska, is laying down the law: The weekly newspaper now requires people writing letters to the editor about political issues to be registered voters. The new policy is a response to what the paper called a "pathetic" turnout by county voters in the May 12 primary election — 24 percent. "Much like bellybutton lint, opinions from citizens who are not involved in the democratic process are not worth much," said an editorial announcing the policy.

Brian Knowlton

Gingrich Attacks on China Allegations

By Alison Mitchell
New York Times Staff Writer

WASHINGTON — Saying that "very stark questions of national security" are at stake, Newt Gingrich, the speaker of the House, has announced the creation of a special committee to investigate President Bill Clinton's decision to waive export controls over advanced space technology to China.

Mr. Gingrich said he would propose to House Democrats that the committee be led by Representative Christopher Cox, Republican of California.

He said the committee would focus on issues ranging from the recent reports that a Chinese military officer gave \$100,000 in political contributions to a Democratic fund-raiser during the 1996 presidential election to the question of whether an American satellite maker passed sensitive technological information to China.

"This has nothing to do with campaign finance," Mr. Gingrich said Tuesday, seeking to elevate the issue above the recent House investigation into Mr. Clinton's 1996 campaign financing.

"This has to do with the national security of the United States," he said, "and the effort by a foreign military to penetrate our political system and the effort by some people to give the Chinese secrets in violation of American law. This is a profoundly deeper

question than anything that has arisen in this administration."

The House must vote to create a special committee, but Mr. Gingrich virtually dared the Democrats to object to such a panel, which he said would consist of five Republicans and three Democrats.

"I think the country would be very curious as to why the Democrats would not want to know that the Chinese were getting American military secrets," he said.

Representative Richard Gephardt of Missouri, the Democratic leader, has already signaled his opposition to such a move, and a spokesman said his position had not changed. But a senior Democratic official acknowledged that boycotting such a committee "is not an

option. Some of our members are pretty spooked."

Earlier in the day, Mr. Gingrich compared the administration's failure to stop China and Russia from transferring weapons technology to Iran to Britain's early appeasement of Hitler.

The New York Times reported last week that lawyers and officials have said that Johnnie Chung, a Democratic fund-raiser, told federal investigators that a Chinese military officer, Lieutenant Colonel Liu Chaoying, had funneled nearly \$100,000 into Democratic campaign committees.

And there have been questions about whether an American aerospace company, Loral Space & Communications Ltd., received favorable treatment on high-technology exports to China.

Away From Politics

• The bill most often dispensed by ATMs and the largest denomination most Americans encounter in their daily business — the \$20 — is getting a new design aimed at discouraging counterfeiting. It will look a lot like the already redesigned \$100 and \$50 notes, with an enlarged off-center portrait, cleaner lines and more blank space. (AP)

• Hot temperatures and low winds have led to a severe pollution problem in Florida, prompting state officials to

warn everyone to avoid strenuous outdoor activities during the day. (AP)

• The U.S. aircraft carrier Yorktown has been found more than three miles down on the Pacific floor, almost 56 years after being torpedoed during the decisive Battle of Midway. (AP)

• A man who had been on death row in Texas nearly 21 years was executed by injection for the murder of a 19-year-old college student. (AP)

Lord Cudlipp, Publisher, Dies

The Associated Press

LONDON — Lord Cudlipp of Aldingbourn, 84, one of the most combative figures in British journalism who was credited with creating the feisty modern British tabloid, died Sunday at home in Chichester, southern England, from lung cancer, his family said.

Lord Cudlipp became Fleet Street's youngest editor when he took over the Sunday Pictorial, now the Sunday Mirror, at the age of 24. A former colleague at the Sunday Pictorial, Colin Valdar, said once that Lord Cudlipp was "a walking, talking tabloid newspaper from his teens."

He even spoke in an urgent, telegraphic newspaper style, Mr. Valdar said. Working his way through the company ranks, he served as Sunday Pictorial editor from 1937 to 1940 and again from 1946 to 1949. A series of editorial and managerial jobs followed, and in 1968 he was appointed chairman of International Publishing Corporation, owner of The Daily Mirror and Sunday Mirror and one of the world's largest publishing groups.

For many years Lord Cudlipp was a staunch Labour Party supporter and in 18 years on The Daily Mirror, where he served successfully as features editor, editorial director and managing editor, he ensured it backed the party.

It was during this period that he led the field in questioning the status quo — and other tabloids followed suit.

He criticized the system of awarding knighthoods and peerages, although he was made a life peer in 1974, and accused the

British government of "bungling" the 1956 Suez Canal crisis.

Alan D. Williams, 72, U.S. Editor and Publisher With Viking Penguin

New York Times Staff Writer

NEW YORK — Alan D. Williams, 72, editor and publisher of books by authors ranging from the thriller writer Frederick Forsyth and Stephen King to the novelist Nadine Gordimer, who won the Nobel Prize in Literature in 1991, died on Sunday of cancer at his home in Jersey City, New Jersey.

Mr. Williams snapped up the U.S. rights to the action-adventure novel "Day of the Jackal" by Mr. Forsyth, an Englishman who was little known in America until the book became a best-seller after being edited by Mr. Williams and published in 1971 by Viking.

Mr. Williams worked at McGraw-Hill, J.B. Lippincott, G.P. Putnam, Arbor House/William Morrow and Grove Weidenfeld. He was with Viking Penguin for 19 years and was editorial director and vice president there from 1975 to 1984.

Wendel Chang, 47, Journalist and Financial Editor in Taiwan

Reuters

TAIPEI — Wendel Chang, 47, a longtime Taiwan journalist and founding editor of Reuters Chinese-language editorial service, died of cancer Tuesday.

In the 1970s and 1980s, Mr. Chang reported in English for Taiwan's China Post, the China Economic News Service and The Associated Press.

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TribTech

Japan Leads (but Few Follow) in Switch to Costly Digital Video Camera

By Miki Tanikawa
International Herald Tribune

TOKYO—The advancing wave of digitalization has hit video cameras, making them handier and more streamlined, with higher picture and sound quality.

While still-photography film cameras retain a decisive edge over their digital brethren in image quality, the digital version of the video camera has beaten its analog predecessor, experts say.

In fact, since its debut in the consumer arena in the autumn of 1995, the digital video camera has rapidly been replacing analog video cameras in the Japanese market, where consumer attitudes toward video quality are among the fussiest in the world.

Unit sales of digital video cameras in Japan overtook those of the analog format kind for the first time last year, with nearly 70 percent of the market, according to Electronics Industries Association of Japan. Now, many retail stores report that more than 80 percent of the video cameras they sell are digital.

But the cameras' high prices have kept consumers at bay in Western markets. The Japanese trade group predicts that in Germany, for example, digital camcorders will not overtake analog ones for another two years, and that it will not happen in the United States until 2001, when digital cameras will account for 3 million of the projected 4.4 million annual camcorder sales.

Prices in Japan range around the equivalent of \$1,500, about 50 percent below their initial prices but still about twice as high as for comparable analog video cameras.

In the United States, digital video cameras cost \$1,800 to \$2,500, while analog

versions range from \$400 to \$800.

Perhaps as a result, digital video cameras hold a paltry 5 percent of the market in the United States and 8 percent in Germany—but those are their highest market shares outside Japan.

In digital video, the picture image is translated into an electronic message by a "charged coupled device." This information is converted into digital signals to be recorded on magnetic tape. Digital cameras still use a magnetic tape, which is one-eighth the size of a conventional videocassette, as their recording medium, rather than the semiconductor-based memory employed by digital still cameras.

Most important, digital video cameras are an improvement over analog camcorders in picture quality. With horizontal resolution of 500 lines, at least a 20 percent improvement over the best that analog video recorders, they deliver higher image quality with improved color.

Details are more faithfully reproduced, and the wavering images common in analog recording have been significantly cut.

But are some digital video cameras better than others?

Kimihide Takano, electronics analyst at Dresner Kleinwort Benson (Asia) Ltd., said the quality differences among the various

products on the market were not so great because "digital technology itself is a common commodity for all."

Thus, camcorder users are often drawn to such functionality as a touch-control panel featured in the Sharp VL-EF1, where the user needs only to pinpoint a locale on the liquid crystal display monitor screen to zoom in on the target, or the Panasonic NV-DS7's

multi-image display, which splits the screen into nine blocks to show consecutive still shots, in case you wanted to analyze your golf swings or preserve the best shot as a still picture out of the series of photos capturing a moving image.

Meanwhile, Sony Corp., the market leader, boasts of its energy-efficient TRV-9, which can operate for more than eight hours without a battery recharge.

Like the digital still camera, the digital video camera is appealing to the ballooning number of Japanese users of personal computers who want to transfer still images, which can be generated by most digital video cameras, through the Internet.

But what is the advantage of using a digital video camera instead of a digital still camera to produce still pictures?

"You don't miss the decisive moment," said Nobuharu Kakegawa, a spokesman for the audiovisual products division at Panasonic, part of Matsushita Electric Industrial Co.

As technology and infrastructure for data transmission improve, analysts say, users of digital video cameras may be able to send and receive moving pictures in real time via computers.

"Then you might have mini-broadcasting stations" everywhere, said Akira Kadota, another spokesman for Panasonic.

Theoretically, the same magnetic tape can be used for digital and analog recording, though manufacturers use tape of better quality for digital cameras. A consumer plugs the digital recorder directly into a television or videocassette player to play the tape.

The cassette's tiny size accords digital cameras one of their greatest advantages:

compact body and flexible design that enhance portability and fashion appeal.

Sharp Corp., for instance, sees an elegant woman gracefully shooting moving images at a chic outdoor cafe, using its shapely VL-EF1.

"We wanted to expand the range of population who use video cameras to include people like women in their 20s and older people," a company spokesman, Masaru Yamawaki, said, noting that video cameras had been used predominantly by families with children.

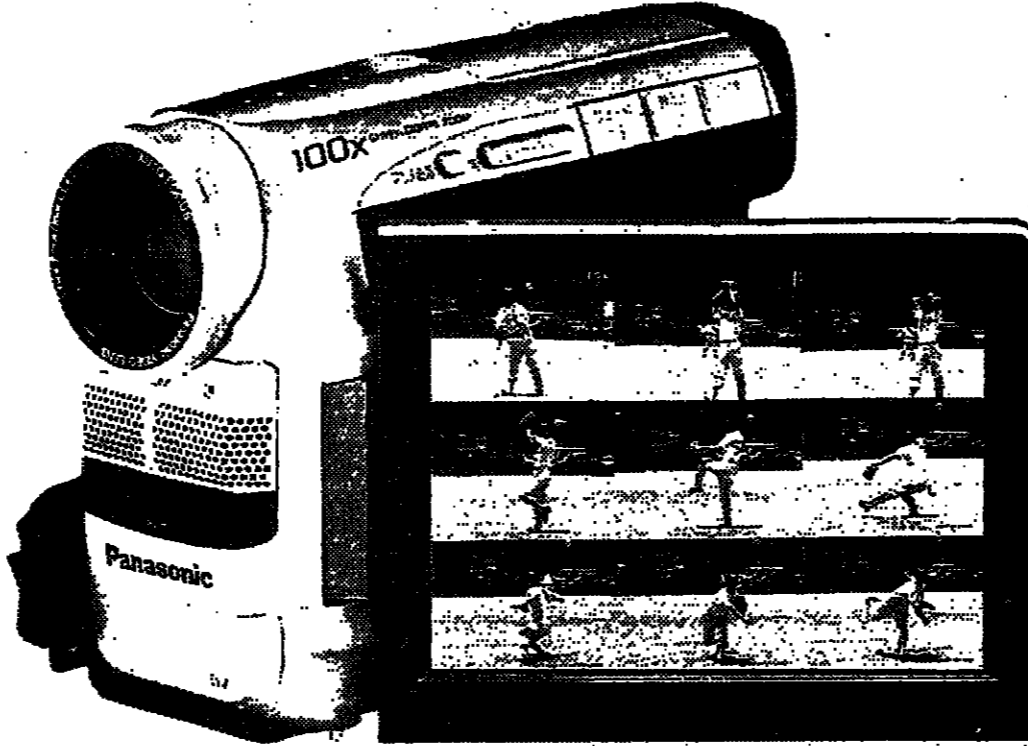
"We conceived of a soft and fashionable design and reduced mechanical features like buttons."

The ZR model from Canon Corp. also is an attempt to depart from the common appearance of the video camera and embrace the style of the compact camera. With the camera-like design of the ZR, which weighs only 530 grams (19 ounces), "if you hang it from your neck, you don't have to pull it out from somewhere and then take the shooting posture," said Kakashi Kuniyoshi, chief of the digital products development center at Canon.

The race among makers of digital video cameras is so far confined to five Japanese contenders, while about 30 makers are vying in the cut-throat digital still camera market.

But while most manufacturers are shifting resources to developing digital video cameras, Sony and others remain committed to churning out new analog models and vow to continue to service analog clients, at least for now.

"There will always be people who choose more economical alternatives," said Hiroaki Komatsu, manager of products and marketing public relations at Sony.



The Panasonic NV-DS7 has a multi-image display that can show nine consecutive still shots.

ALT/Commentary

On-Line Identity Crisis: Seeking a Unique Name

After the Web's Arrival, the Deluge of Log-Ons

By Mitchell Martin
International Herald Tribune

NEW YORK—"Please choose a log-on name." Five words that strike terror, or at least ennui, into the heart of your average Netizen. Even before the Internet allowed consumers to deal directly with businesses, there were identities and passwords for mainframes at work, automated teller machines and home and office security systems.

Rarely can you use the same codes for your various accounts. Some need numbers, others letters; most have minimum numbers of characters, all have maximums. Sometimes you pick them yourself, sometime the provider picks them; sometimes you can change them, and sometimes you cannot.

In the past two years, it has gotten worse, thanks to the Internet, as users take on more identities for on-line brokers, the automated travel agents, the information services, the professional organizations, the retailers. I have about a dozen already; that could double this year.

There are three kinds of Web sites: those that are entirely free, those that

camp some time ago? Shawnee12. Spuds (the party dog)? Spuds10.

What about Lauriston, the street I used to live on in Paris? Somebody got there first, too. The Times suggested Lauriston1.

Finally, I got a name that did not require a number: Babadging, the name of a Mozambican warlord.

"That's what you can expect with 4 million unique IDs," said Chris Neimeth, a spokesman for the electronic division of The Times, who confirmed that 216 other Mitches, 281 Martins and 9 Spuds had had to accept numbers attached to their chosen passwords.

Why doesn't the Times—and everybody else—just let users have duplicate names as long as their passwords are different?

"We try and make it as easy as possible," Mr. Neimeth said, noting that if a user forgets his or her password, the Times computer will provide it upon receiving the backup password, such as the maiden name of the user's mother, that it requested during the initial sign-up.

"We've gone through this issue," Mr. Neimeth said. "It relates to if you forget your password. You might have the same mother's maiden name as somebody else with your log-on."

"Passwords are, unfortunately, the bane of many consumers' existence," said Tom Wang, director of strategic services at Organics Inc., a Web development company. "Many sites require passwords, and those passwords from the consumer's standpoint should be consolidated so that you have only one or two names and passwords."

It was easier, he said, before the advent of the World Wide Web. When the proprietary services of America Online Inc., CompuServe Corp. and Prodigy were synonymous with being on-line, once users logged onto one of the systems, all of the retailers, clubs and information providers associated with that system could immediately recognize them.

Mr. Wang said that in the short run, "portals" to the Web, sites such as Yahoo and Netscape that users often consult at the beginning of an on-line session, might provide a similar singular identity to the Web at large.

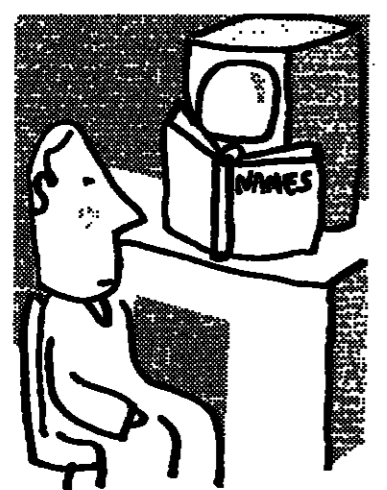
But in the longer term, it will be up to the companies that make Web browsers, essentially Microsoft Corp. and Netscape Communications Corp., to set standards that would allow for unique identities, perhaps something as easy as an individual's electronic-mail addresses.

Microsoft and Netscape, companies often at odds, are cooperating on this issue. They are working with VeriSign Inc. to create "digital certificates," according to Edith Gong of Netscape. "It's like your driver's license, something everybody recognizes."

VeriSign says it has already sold digital identifications to more than 2 million individuals and 45,000 Web sites. It sells two classes of certificates, one for \$9.95 a year and a more informative version for \$19.95.

The idea is that VeriSign becomes a trusted third party. Consumers will provide it their personal details, and Web sites will accept it as a reliable compiler of that information. The digital certificate can then be incorporated into each consumer's browser, so that whenever users log onto a site, their identities are immediately known.

Mitchell Martin is editor of the Herald Tribune's Money Report section.



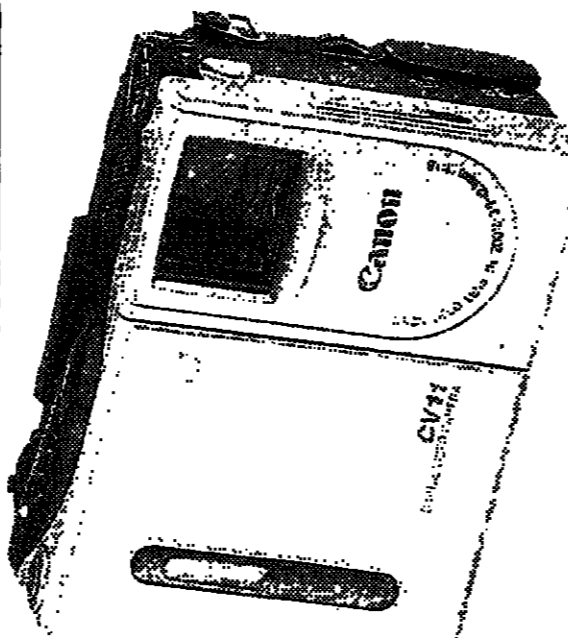
require registration and those that charge money. The free sites allow you to visit and look around, but for the other kinds, you need an identity, which usually consists of a log-on name and a password. Because of differing architectures, they are rarely the same from one site to the next.

I recently tried to register with The New York Times, a parent of this newspaper that is the purveyor of a popular Web site. The site is free for U.S. residents, but it requires a fair amount of information before granting access to such sections as the classified real-estate ads. I provided it and then tried to use for my identity something often easy to remember: my name.

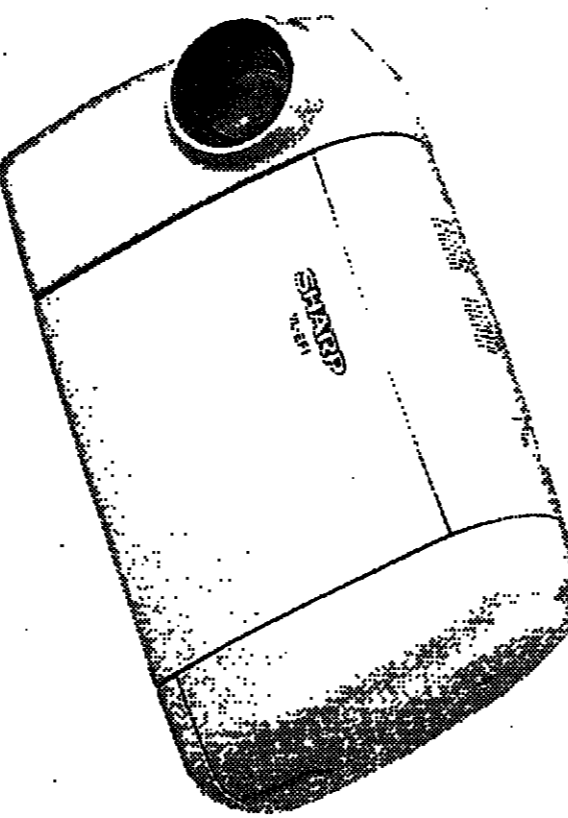
The Times computer politely informed me that my name was taken, and suggested I might like to be Mitch217. Well, not really; how would I remember that? What if some other site wanted me to be Mitch310?

You can store your identities on your computer—and in the case of The Times, the identity can be stored automatically in the preferences folder attached to your browser software—but what if you are traveling and using somebody else's computer? What if you buy a new computer?

So I tried Martin. It suggested Martin282. Obviously, my name was not going to work, I tried Bronx, my native county and an unlikely choice, I thought. The Times suggested Bronx45. Herald14. Tribune6. Shawnee (my bunkhouse at



The CV11, a lightweight digicam from Canon.



Sharp Corp.'s VL-EF1 digital video camera.

Filmless Cameras Go Mainstream

Taking High-Quality Digital Photos Has Become Affordable

By Marty Katz
New York Times Service

NEW YORK—After a few years of dipping a tentative toe in the marketing waters, computing and photography companies are confident enough of the promise of a mass market for filmless photography to take a real plunge this spring.

A year ago, making high-quality digital pictures was still the province of newspaper photo departments that could justify \$20,000 cameras. Art directors who could buy exotic film scanners and printers and a few brave souls who tried to make amateur digital cameras work well enough for art or commerce. Hardware cheap enough for amateurs or small companies was adequate for Web images, medium-quality prints, or, in a pinch, usable e-mailed newspaper pictures.

Now things are different. This spring, manufacturers announced a crop of inexpensive megapixel-and-above cameras at the spring Comdex and Photo Marketing Association shows. A pixel, or picture element, is a dot of color on a photo; the more pixels a camera is capable of producing per photo, the higher the resolution.

There were many less-than-megapixel models in the \$300 to \$600 range, with respectable performance and features. The excitement, though, was about affordable million-pixel cameras able to make images good enough for professional use or impressive prints.

Most were in prototype form; when working models will actually be on store shelves is a question. Most have LCD screens and television outputs, and use easily obtainable AA batteries; they differ in that some have real zoom lenses and some have no zoom or use the camera's computer to create a zoom effect.

Three notable models: Nikon's \$899, 1.23-megapixel Coolpix 900 has a strange form: two halves that rotate. The camera has a real zoom lens, which makes it a bit larger than other nonzooming cameras in this group. A low-light feature allows for flash exposures that pick up details in backgrounds that might otherwise go dark. The odd form makes the taking of pictures in directions one is not looking seem natural, handy perhaps if one needs to sneak up on a wary child engrossed in cute behavior. The Coolpix 900 uses readily obtainable AA batteries. It is to ship soon.

Olympus: The currently shipping \$799 D340L is a small point-and-shoot camera that looks like a regular Olympus Stylus film camera, but it is a 1.23-megapixel digital camera. Although it is a camera with few controls, it is an extremely well-behaved device. It seems well suited for close-up and portrait work, and does a little less well with far away subjects, partly due to the wide-angle-only lens; it does have a digital zoom feature that enlarges an image electronically (at the

expense of resolution). It uses common AA batteries. Last fall, the Olympus D600L, a 1.4-megapixel zoom camera, was the leader of the field in resolution, but it was hard to use. One reason was its use of SFFDC media, also called SmartMedia, to store images. There was no way to get images from camera to computer without using special software and cabling. But Olympus has now put out PC-card adapters and a 3.5-inch disk slot holder called Flashpath that enables computers to read the SmartMedia format. These changes make both the D600L and the new D340L easier and quicker to use.

Fuji: The very cute, \$799 MX-700 turns on with a display of tiny, whirling, ruby LEDs and a series of beeps, and it is small enough to fit in a shirt pocket. The resolution is 1.3-megapixels. It has a wide-angle-only lens, but a selectable in-camera sharpening function makes the images snappier. There are several other picture adjustment controls, but the camera uses a built-in, proprietary rechargeable battery. The unit began shipping May 1.

At about the same time that these cameras will be arriving at stores, another camera will be announced: The Kodak 260, originally set for spring release, has been the subject of intense speculation and it sports features that make it the 600-pound gorilla of the affordable megapixel digicam world.

The 260 has been shown to third-party developers, but to Kodak's consternation, they have not been tight-lipped. Features have been posted to Web sites and all indications are that the camera will be quite popular. The 1.6-million-pixel 260 is said to have a wide-to-telephoto optical zoom lens (not just an electronic enlarging of an image); it is supposed to use the more readily available Compact Flash method of storing photos and AA batteries. It is also said to be priced well under \$1,000.

By comparison, recent high-end professional cameras have only had 1.3 million pixels. A new 2-million-pixel camera built on a Canon EOS body has just begun shipping; it is called the D2000 by Canon, and the DCS520 by project-partner Kodak. At \$14,995 for the camera body only, this full-featured model puts the consumer-level versions in a new perspective.

SITES

C-Net reviews 28 digital cameras at: www.computers.com/reviews/comparative/introl/0230-01-257997.00.html?st.co.fh.digicams
HyperZine, an on-line digital imaging publication with news and reviews, is at: www.hyperzine.com/
Eastman Kodak Co. has a "digital learning center" with how-to and reference sections at: www.kodak.com/daiHome/DLC/

BRIEFLY

•**CIAO, MICKY:** Walt Disney Co. this week launched its first subscriber-supported Web site in Europe, in partnership with the Internet unit of Telecom Italia SpA.

The Italian phone company and Disney will operate three Italian-language versions of popular Disney Web sites, including an Italian version of Disney's Daily Blast, a subscription-based interactive game service. They will be initially offered to Telecom Italia Network subscribers free of charge but will later require a fee. (Reuters)

•**VENTURESOME CAPITALISTS:** U.S. venture-capital investments soared 54 percent, to \$3.6 billion, in the first quarter, led by investments in communications, software and information companies, according to a Price Waterhouse survey released this week.

Investors poured \$1.82 billion, or just over half of the total, into businesses in those categories, the consulting firm's quarterly National Venture Capital Survey said. Health-care companies attracted \$428 million, or 12 percent of the total.

The rate of venture-capital investing matches the record pace set last year. The first quarter's total fell just short of the record of \$3.7 billion set in the fourth quarter of 1997. (Reuters)

Silicon Valley, home to many technology companies, attracted \$821 million, followed by New England with \$544 million. (Bloomberg)

•**CYBER GOES POSTAL:** France plans to equip 1,000 post offices around the country with pay-as-you-use Internet sites complete with young Web surfers ready to explain the computer network to beginners.

The Cyber-Poste service, due to be set up by the beginning of next year, can be used to visit Web sites, join discussion groups or send e-mail.

Users pay with a smart card that costs 50 francs (\$8.35) for the first hour and can be recharged at 30 francs for an additional hour. (Reuters)

•**FLAT PANELS, SHRINKING PRICES:** Compaq Computer Corp. said this week that it had cut prices as much as 36 percent on its flat-panel displays, the thin monitors that appear to be the coming fashion in PC viewing.

The recently announced TFT450, a 14.5-inch (36.8-centimeter) viewable flat-panel display, has been reduced 25 percent, to \$1,199. The TFT500, a 15-inch display, has been reduced 36 percent, to \$1,599. A year ago, when the 500 was introduced, it cost \$3,799. (Reuters)

TECHNOLOGY INDEX

A glance at technology stock indexes around the world			
North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	352.99	+1.86	+21.49
Standard & Poor's Technology Composite	874.09	+1.77	+24.88
Europe			
Morgan Stanley Eurotech	577.81	+2.40	+49.99
Asia			
Topix Electric	1822.68	+2.54	+10.86

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- High-Tech Immigration, May 20
- British Biotech Chief to Quit, May 20
- Can Microsoft Put On a Friendlier Face? May 20
- Justice Department Fires First Salvo at Microsoft, May 19
- Sharing Kodak Moments by E-Mail, May 20
- Satellite 'Constellation' Wires the Earth, May 19
- Savvy Microsoft Hires 'Best Lobbyists' May 20
- Why Buy PC Muscle You'll Never Use? May 18
- EU & U.S. Seek Ban on Internet Tariffs, May 20
- Call to Protect Internet Privacy, May 15

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihl.com.

International Herald Tribune

EUROPE

Blair in Final Plea to Wavering Ulster Protestants



Mo Mowlam, Britain's Northern Ireland secretary, and Richard Branson, head of Virgin Airlines, strolling Wednesday through the center of Belfast.

BLFAST — Prime Minister Tony Blair was flying to Belfast on Wednesday to make a final pitch for wavering Protestant voters two days before a referendum on a proposed Northern Ireland peace accord.

With a third of Protestants still undecided over the April 10 peace settlement that Mr. Blair worked to achieve, he was making his third visit within three weeks to the province in a bid to secure a convincing 70 percent "yes" vote.

Although an overwhelming majority of Roman Catholic nationalists back the accord, guaranteeing its endorsement, the deep divisions within the Protestant community, which favors continued union with Britain, threaten to make the deal unworkable.

President Bill Clinton, who has thrown his weight behind the "yes" campaign, again Wednesday urged Protestants to back the deal, which aims to end 30 years of sectarian conflict that

has claimed 1,200 lives. Writing in Belfast's unionist New Ulster and Britain's biggest-selling newspaper, The Sun, Mr. Clinton said:

"As a friend of Northern Ireland and the representative of a country that is home to so many from your land, I urge you to say 'yes' to peace."

"What future will the children have if you vote 'no' and throw away the chance for peace? The world is watching you and the world is with you."

An opinion poll showed that voters in both the Irish Republic and Northern Ireland intend to back the peace plan for the British-ruled province in twin plebiscites on Friday.

But the survey showed that the 60-percent Protestant majority in Northern Ireland remained divided on the agreement.

Mr. Blair, eager to stop any weakening of support for the plan, will say: "This agreement is the best opportunity for peace. It is underpinned by consent and nothing can happen to the Northern

Irish people unless the people want it to happen."

But Mr. Blair, whose speech was released by his office before he flew out to the province, acknowledged that the unionists have deep-seated concerns.

The Good Friday peace deal preserves Northern Ireland's links with Britain but builds closer ties with the mainly Roman Catholic Republic of Ireland.

Mindful of the split in the pro-British camp, Mr. Blair and the leader of the Conservative opposition in Parliament, William Hague, were poised to join forces in a late-hour bid to shore up the "yes" campaign.

On Tuesday, in an extraordinary display of solidarity, the Irish rock star Bono was pictured in leading Irish and British newspapers holding hands with the Ulster Unionist leader, David Trimble, and the man who has been his leading opponent, the moderate Irish nationalist John Hume.

Mr. Bono invited the province's two

most powerful politicians and the leaders of its divided communities on stage at a televised concert in Belfast, to a standing ovation. To cheers from the crowd of 2,500 young people, he welcomed "two men who have taken a leap of faith out of the past and into the future."

They greeted each other with broad smiles and a big handshake, which signified the agreement's attempt to end divisions between Catholics and Protestants fueled by centuries of tension over Britain's role on the island.

The move was aimed at persuading doubters to ignore a "no" campaign led by senior figures in Mr. Trimble's own party and two smaller unionist parties, which has gained momentum in recent weeks. But the concert drew scornful comments from a prominent opponent of the accord, the Reverend Ian Paisley.

"Mr. Trimble is going to rock and roll. He's rocking already and he's going to roll after the 22d referendum day," Mr. Paisley said. (AFP, Reuters)

Yeltsin's Litany of Woes: Markets, Miners, Duma

By Celestine Bohlen
New York Times Service

MOSCOW — As troubles continue to rain down on Russia's new government, President Boris Yeltsin — himself now facing the latest in a series of impeachment votes — is trying to reassure jittery investors that the country would not shift off its "balanced, finely tuned course."

The week began with a sharp drop on Russia's financial markets, where prices fell 12 percent on Monday. On Tuesday, after spending more than \$500 million to protect the ruble, the central bank raised refinancing rates from 30 to 50 percent, an increase that will bite into Russia's already over-extended budget.

In a sign of ripening popular discontent, meanwhile, a sit-in by striking miners in the Kuzbass region, which has held up traffic on the Trans-Siberian railroad over the last six days, is spreading across the country, as teachers, doctors, students and miners from the far north to southern Russia staged protests over unpaid salaries and miserly stipends.

A state of emergency has been declared in the Kemerovo region, where the Kuzbass mines are situated, to deal with backed-up rail traffic. According to one report, a total of 300 cargo trains, and some 120 passenger trains have been idled by the strikers, causing delays of up to 35 hours on the Trans-Siberian line, the world's longest.

Deputy Prime Minister Boris Nemtsov said that the bill for miner's unpaid salaries — backed up over six months — equaled almost \$600 million.

"People's anger and lack of trust in the federal authorities are so deep that this may lead to a mighty explosion that will reach Moscow," Anan Tuleyev, the Communist governor of the Kemerovo region, said Tuesday.

To add to the Kremlin's list of political worries, the opposition-dominated Parliament, the State Duma, voted Tuesday to delay a vote on the ratification of START-2 — a slap at Mr. Yeltsin who had publicly called for ratification of the arms control treaty this summer — and on Wednesday, members of the Federation Council, or upper house, approved a Communist-drafted

bill that would ban the buying and selling of agricultural land.

The latest impeachment move against Mr. Yeltsin, pushed by the Communists, is probably doomed to fail, as others have before it.

But it took the opposition little time on Wednesday to gather 177 signatures to move ahead with hearings on a 12-page indictment, which accuses the president of treason and of orchestrating the country's economic collapse.

"We have warned time and again that his policy would lead to disaster," said Gennadi Zyuganov, leader of the Russian Communist Party.

The heated challenge to the Kremlin's policies in Moscow and outside comes at a moment when the race to succeed Mr. Yeltsin — when and if he retires at the end of his current term in 2000 — has unofficially begun.

With the election last Sunday of his old foe, Alexander Lebed, as governor of a Siberian region, political commentators and contributors have focused on the lack of a strong and plausible candidate — other than the president himself — who could carry on Mr. Yeltsin's

brand of economic reform.

But for now, Prime Minister Sergei Kiriyenko, the 58-year-old former banker who was pushed onto the national stage by Mr. Yeltsin a month and a half ago, is the one who has to steer the Russian economy through the crises that have erupted into the open in the last few weeks, spoiling any hopes of a honeymoon period.

"Mr. Kiriyenko is in a very unlucky situation," noted Mikhail Berger, chief editor of *Sovodnya*, a daily newspaper. "But if it weren't an unlucky situation, he wouldn't be in it."

So far, Mr. Kiriyenko has proved himself to be a tough negotiator, arguing that any money for the striking miners can not be drawn on credit — as was done in the past — but has to come from the budget.

"I want to underline that we can not and will not go the way of additional financing in response to protest actions," he said in an interview with the newspaper *Vremya*. "If the government weakens on this, you understand where that will lead. Here the position of the government is very tough."

The collapse on the Russian financial markets this week only served to underscore concerns about the country's fiscal crunch, now under scrutiny by a team from the International Monetary Fund in Moscow to review Russia's eligibility for the next \$700 million installment of a three-year loan program.

New Yugoslav Leader Girds for Battle

Compiled by Our Staff From Dispatches

BELGRADE — Momir Bulatovic, the new prime minister of Yugoslavia, took office Wednesday, spilling for a fight with reformist leaders of Montenegro who vowed to boycott his government.

Mr. Bulatovic, a close ally of Yugoslavia's socialist president, Slobodan Milosevic, was ratified without opposition in the two federal Parliament chambers, but his Montenegrin opponents were absent when they voted.

Montenegrin reformers, led by the republic's president, Milo Djukanovic, warned that Mr. Bulatovic's appointment put Serbia and Montenegro on a collision course that could destroy the Yugoslav Federation, in which the two republics are supposed to be equal partners.

As he was sworn into office before both Parliament chambers Wednesday,

Mr. Bulatovic confirmed his intentions "of working for the preservation of sovereignty, independence and territorial integrity" of Yugoslavia.

He also said he "was not worried" by the fact that the only party from Montenegro present in the Parliament was his own.

Mr. Djukanovic blames Mr. Milosevic's domination of Serbia, which dwarfs Montenegro economically, for Yugoslavia's international economic and diplomatic isolation.

The crux of the crisis between the republics is over whether Yugoslavia should become a modern, market-driven democratic state envisioned by Mr. Djukanovic, or remain under the sway of former Communists, who have held a monopoly of power for more than 50 years.

The reformers said Mr. Milosevic

handed Mr. Bulatovic the prestige and power of his federal post to try to tilt Montenegrin parliamentary elections on May 31 in his ally's favor.

Mr. Djukanovic, who defeated Mr. Bulatovic for the Montenegrin presidency last year, is fighting to retain control of the Parliament, which provides him with powerful constitutional weapons with which to wage his war against Mr. Milosevic.

Given Mr. Milosevic's reluctance to reduce his grip on state control of the Serbian economy, political sources said this was a clear threat to attack efforts by Mr. Djukanovic to liberalize in Montenegro, which has an active privatization program.

The republic's freedom of action is limited because in some key areas it is subject to federal law. (Reuters, AP)

Murder Trial Opens With Gucci Flair

By Alessandra Stanley
New York Times Service

MILAN — The Gucci trial has opened in a packed house. The case of Patrizia Reggiani, a wealthy socialite accused of ordering the murder of her former husband Maurizio Gucci, the heir to Italy's most famous leather-goods business, is, even by Italian standards, sensational.

This latest, most violent episode in the long, sordid saga of the Gucci family combines all the elements guaranteed to perk up a jaded public: sex, money, vengeance — and designer shoes.

Mrs. Reggiani, 51, did not appear at the opening Tuesday. One of her lawyers, Giovanni Maria Dedola, said that she was ill and may not be well enough to testify until mid-July. Once a sparkling and extravagant member of Italy's jet-set, she has become known in the Italian press as "The Black Widow."

Her lawyers say she is heavily medicated, which may not be surprising. Mrs. Reggiani is famous for having once said, "I would rather weep in a Rolls-Royce than be happy on a bicycle."

No Gucci family members were present. Maurizio Gucci, who fought and exchanged lawsuits with all his relatives and ousted his uncle Aldo from the New York branch of the business in the mid-1980s — Aldo Gucci, then 78, went to jail for fraud — was apparently not deeply mourned at home.

"The Gucci men are alike — amoral," said Jennifer Gucci, the former wife of Paolo Gucci, a cousin who died two years ago. "They are multimillionaire playboys — nobody has a lot of

sympathy for them."

Three of Mrs. Reggiani's four alleged accomplices appeared in court elegantly attired, as befits a celebrity trial in the fashion capital of Italy. Pina Aurimemma, 52, Mrs. Reggiani's longtime personal astrologer, who is accused of arranging the murder, hid behind huge designer sunglasses on a bench. Benedetto Ceraulo, the accused gunman, and Orazio Cicalea, the alleged driver, were locked in an iron cage in the courtroom, both wearing dashing sports jackets that clashed with their handcuffs.

The basics facts are not in dispute: Mr. Gucci was shot from behind on March 27, 1995, as he climbed the steps to his Milan office by a gunman, who then sped away in a green Renault Clio.

Mr. Gucci had many enemies, and police investigators initially thought his murder might be connected to either Gucci family quarrels or some of his most recent business deals.

Mr. Gucci, who inherited 50 percent of the family business after the death of his father in 1983, spent his own and the company's income so recklessly that he was forced to sell his shares to a Bahrain-based investment group, Investcorp, 10 years later.

In 1991, Guccio Gucci SpA posted a \$31.6 million net loss. Stripped of family interference, Guccio has since recovered and in financial year 1997, Guccio turned a \$175.5 million in profit.

When he was killed, Mr. Gucci was trying to re-establish himself as a businessman. He lived in opulent seclusion in a Swiss villa and his penthouse apartment in Milan, and traveled with Paola Franchi, his mistress,

on his sumptuous yacht.

After 12 years of marriage, he divorced Mrs. Reggiani in 1985 without warning. Mrs. Reggiani, who had custody of their two daughters, never hid her bitterness. In 1995, after his murder, she dismissed her former husband as fatally weak, telling *Vanity Fair*, "Maurizio was simply a thing called Gucci that had to be washed and dressed."

Mrs. Reggiani was arrested in 1997, when investigators, working with an undercover police officer, finally pieced together a more domestic plot.

They believe she was motivated by rage over her suspicion that Mr. Gucci planned to marry Mrs. Franchi — a threat to her daughters' inheritance. Her lawyers do not dispute that Mrs. Reggiani spoke often of her desire to see her former husband dead.

But they argue that it was her confidante, Mrs. Aurimemma, who independently hired two assassins with the help of a hotel porter, then blackmailed Mrs. Reggiani to pay the foursome \$350,000 to keep quiet about the murder.

Mrs. Aurimemma's lawyer, Piero Traini, said his client merely followed Mrs. Reggiani's instructions and put her in touch with the hotel porter, Ivano Savioni, who found two contract killers.

Mr. Savioni did not appear Tuesday but is expected to testify that he discussed the plot with Mrs. Reggiani before the murder.

Software Winner



Ron Dennis,
Managing Director
McLaren International

McLaren is one of the winningest teams in Formula One history.

Since 1966, McLaren has won seven Constructors' World Championships, nine Drivers' World Championships and more than 100 Grands Prix. Not to mention three Indianapolis 500 wins, the LeMans 24-hour endurance race and five consecutive Can-Am sports car titles.



"To win consistently, you have to have the best. That's why we've teamed up with Computer Associates," says Ron Dennis, Managing Director for McLaren International. "Processing our engine and race data efficiently and intelligently is crucial and CA is helping us approach it in an entirely new manner."

Under a technology partnership, the West McLaren Mercedes Formula One Team and CA are developing an innovative new solution that gives the racing team's engineers the ability to easily assess and analyze the Formula car's performance data.

Built around CA's Unicenter™ TNG™, the program can monitor the telemetry data that the race car transmits to the pits while it's racing. Everything from throttle response to brake pressure to even the G-forces exerted on a driver. TNG then displays the data through its award-winning 3-D, Real World Interface™.

"I have a favorite saying, that is, to come in second is to be the first of the losers," says Ron Dennis. "At McLaren we're interested only in winning and we associate ourselves only with winning companies. With Computer Associates and McLaren, we have two winning companies sharing a common goal and common partnership."

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THE WORLD'S DAILY NEWSPAPER

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Indonesian Elections

Indonesia does not have a history of peaceful political succession.

During the fight for power won by Suharto in 1966, perhaps half a million people on the country's political left were murdered. Violence on that scale is not likely to be repeated today, but it should be a warning to a country that has already seen 500 people perish in political unrest over the last few weeks. Mr. Suharto's hazy pledge Tuesday to hold elections and step down merely promises further indecision, political manipulation and confrontation. To avoid anarchy, Indonesia urgently needs democratic elections that give people a voice in a new government.

Mr. Suharto's plan for elections is anything but rapid and free. It relies on a rigged system for selecting a president similar to the one that has faithfully chosen Mr. Suharto for the presidency seven times since he assumed power. He has been elected by a People's Consultative Assembly, a body of 1,000 members. Half are government appointed, and 75 others are chosen by the military. The remaining 425 members are chosen in elections where only government-approved

parties can compete. On Tuesday, Mr. Suharto said that he wanted parliamentarians and government appointees to vote on his successor.

Indonesians should have the opportunity to select their president through direct balloting. If that reform is too great to make during a crisis, the entire membership of the People's Consultative Assembly should at least be chosen in free elections open to every political party.

The transition must be rapid. As long as Mr. Suharto clings to power, political turmoil will continue. This can only encourage the military, the country's most powerful institution, to intervene, perhaps even by seizing power itself. For the moment, the army command appears to continue to back Mr. Suharto. It should avoid a direct political role and restrict itself to preventing looting and violence.

Mr. Suharto's best service to his country now would be to set in motion a fully democratic transition and then resign. He can start by setting a summer date for free presidential and legislative elections open to all parties.

—THE NEW YORK TIMES

Talking With the Taliban

The expected impediments are complicating what is otherwise the first promising effort to end Afghanistan's decade-long post-Cold War civil war. America's UN ambassador, Bill Richardson, had succeeded in finally opening talks between the radical Islamic Taliban movement and the opposition. But the Taliban was blocking the passage of food desperately needed in opposition areas. Through consultations in Pakistan, the Taliban pledged to partly lift that blockade. Meanwhile, the two armies, which share no trust and spent the winter preparing for warm-weather battle, are eyeing a military stand-down.

The war is about two conceptions of modernization, the Taliban's fundamentalist one and the opposition's more secular version. (So extreme is the Taliban that, though it controls most of Afghanistan, including Kabul, only Saudi Arabia has recognized it—that is, bought it off.)

The Taliban difference came out in consultations on a proposed religious scholars' commission that would look into a cease-fire, a return of prisoners and a process of establishing a gov-

ernment. The Taliban wanted its 20 members and the opposition's 20 to meet its ideological standards. The opposition preferred to make its own choices. The Taliban has now withdrawn its proposal, but a political bargain is opening.

The Taliban is in contact with non-governmental organizations that act as the humanitarian arm of the United Nations. They are trying to work out terms that will spare the organizations. Taliban's persecution and let them do their vital service. The "six plus two" — Afghanistan's six neighbors (including Iran) plus America and Russia — are improvising, nudging the Afghan sides from diverse perspectives. Their common goal is a peace allowing rehabilitation and regional integration through large energy projects.

The Indian nuclear explosions do not diminish the American stake in enabling Central Asian oil and gas to flow through a postwar Afghanistan into struggling Pakistan and thence to energy-hungry India. Ending a terrible war is justification enough for American diplomatic engagement.

—THE WASHINGTON POST

Microsoft and Politics

The legal impact of the lawsuits against Microsoft was accompanied by a more subtle upheaval in the ideological realm. The old certainties of conservative opposition to government intervention, fixed since the Reagan era, are shifting on this issue. New technologies, new business rules and, perhaps most important, the power of lobbying and campaign money are producing odd new alliances and redefining what is left and right and who is up or down.

Take, for example, the unexpected Republican support for Attorney General Janet Reno's antitrust activism. Her hand has been strengthened immeasurably because of the backing she receives from Utah Senator Orrin Hatch, one of the chief critics of her chronic passivity on campaign finance. Mr. Hatch, the chairman of the Senate Judiciary Committee, represents a state with at least one big software rival to Microsoft.

Ms. Reno has also benefited from the fact that Trent Lott has uttered not a peep of criticism about the Clinton administration's handling of Microsoft. Newt Gingrich has sounded downright approving.

The company's Republican defenders are much less weighty figures, including its home-state senator Slade Gorton and that ever-grumpy ideologue Dick Armey.

For a long time Microsoft was an amateur at influencing Washington. It has now stepped up its lobbying and campaign contributions. The irony is that a company long identified with a liberal point of view is trying to make up for lost time with money and hired operatives from the conservative wing of the Republican Party.

According to the Center for Responsible Politics, it is the leading donor among computer companies to federal candidates and parties. It has also hired such well-known Repub-

lican operatives as Haley Barbour, Michael Deaver, Grover Norquist and former Representative Vin Weber.

But arrayed against Microsoft is an impressive list of Republicans as well, including former Senator Bob Dole. By far the most startling antagonist of Microsoft's is Robert Bork.

This former judge and law professor was once known as an apostle of the Chicago School, which questioned whether there are any economic benefits to antitrust enforcement. Both Microsoft and its rivals wooed Mr. Bork, but the critics won him over. He has asserted that Microsoft violated the law by using its dominant position in computer operating systems to promote its own browser over that of its rival, Netscape, a view held by the Clinton Justice Department. No less interesting was the presence of six Republicans on the list of attorneys general filing suit this week, including Dennis Vacco in New York.

There is fracturing on the libertarian side as well. The most ringing defense of Microsoft now comes from the Cato Institute in Washington. On the other hand, some of Microsoft's critics are Silicon Valley entrepreneurs who once shared the anti-regulation position embraced by Microsoft. Now the buccaneers of high-tech want the government to level the playing field.

Obviously a world of politics and policy driven by lobbying and campaign contributions is not a healthy place. But we may be seeing a welcome new consensus emerging that government has a role to play and that it should not be ridiculed on reflex for every intervention. This Democratic administration is arguing that there is an intelligent place for government oversight in cyberspace, just as there is in the environment, the workplace and the worlds of retirement and health care. Some surprisingly powerful Republicans seem to agree.

—THE NEW YORK TIMES

Celebrity, Status and Sirloin in the New Moscow

By Jim Hoagland

MOSCOW — The Monolith Club reflects the private sensibility of Russia's new elite: exclusive, expensive and deeply concerned about its security and reputation. To get to the piano bar, the lavish dining room or the health club, its 300 members and guests pass through a metal detector at the entrance that would do most airports proud.

For an American visitor, the metal detector is an update on the "Check Your Guns" signs hung in the saloons of the Wild West a century ago. The Monolith, and the score or more other upper-tier hideaways that have sprung up in Moscow in the last two years, provide oases of alcohol and glamour in the rough and tumble of frontier capitalism that rages just outside the door.

But there is no Russian Miss Kiry to encourage you to down a vodka. There is instead a tasting of premium Scotch whiskies in the piano bar, where a vocalist from San Diego is belting out Frank Sinatra tunes. You are greeted in this saloon by the flashbulb of an accomplished young Russian photographer who can be coaxed into showing you the impressive portraits he has done of Sharon Stone, Robert De Niro, Allen Ginsberg, Luciano Pavarotti and

a galaxy of other notables he has encountered here or abroad.

The Monolith is a slice of globalized life in post-Soviet Moscow, where celebrity and status exert as strong a pull as they do in any Western capital. For the first time in a dozen trips to Moscow over the past dozen years, I find myself occasionally looking around this club or my hotel room and having to think hard to recall which city I am visiting.

That in many ways is progress. The distinctive grime of life, the constant tension and general deprivation of Soviet times, are not things to be missed.

The buzz in the Monolith is familiar for the visitor from Bill Clinton's America. Here, too, Topic A is the stock market.

Russia's Wall Street has taken a pounding over the past week and lost 16 percent of its value. The ruble, after a long period of stability, is again under attack. The new downturn in Asia is ricocheting around the globe, and Russia is taking the first big hit. Several diners wonder what George Soros, Wall Street financier who made a bil-

lion off the last British pound devaluation and has invested big here, is doing. But no one is sure.

There is a sense of fortunes rising and falling at some of these tables between the fish soup and baked sturgeon (unless you have ordered the New York strip sirloin). It is a yin and yang moment of capitalism, familiar in the West but new here, when intimations of adverse reality suddenly chill the forced euphoria of a tentative boom.

Or, as Italy's Antonio Gramsci, the most humanistic of communist intellectuals, put it in a different context: "The pessimism of the intellect is a good corrective to the optimism of the will."

The room is filled with Russians who have risen above the pessimism of the intellect and seized their moment with both hands.

On each visit to the new Moscow I am reminded of the financier created by the English novelist Anthony Trollope at the end of the 19th century:

"Such a man rises above honesty as a great general rises above humanity when he sacrifices an army to conquer a nation. Such greatness is incompatible with small scruples. A pygmy man

is stopped by a little ditch, but a giant stalks over the rivers."

Fortunes in Russia today are made primarily in energy, other extractive industries, banking and media conglomerates. It is a mark of the times that diplomats feel that Anatoli Chubais, once Boris Yeltsin's right-hand man, has suffered no loss in influence by moving out of government to take over the national electricity corporation, a dominant player on the stock market.

But the Russians who are in touch with the world economy are a tiny minority in a country that is far from being a rags-to-riches story. This is still a rags-and-riches story. Life expectancy in Russia continues to fall, with today's population of 147 million projected to drop to 123 million by 2030 if no corrective action is taken to deal with the nation's alarming and mounting health problems.

Russia has operated on willpower for most of the past decade, running, stumbling, climbing back to its feet on a road it is still discovering. Russia remains a journalistic dream: a new story, with a still unforeseeable outcome, as well as a news story.

The Washington Post

Marx's Plan Didn't Work, but He Did Understand Capitalism

By William Pfaff

PARIS — Marx and Engels's Communist Manifesto, which is 150 years old this year, did not change the world for which it was written. The manifesto proved nonsense as forecast of the workings of a supposed dialectic of history, and it was disastrous in its political consequences. It produced the utopian totalitarianism of Lenin and Stalin, with systematic and destructive attack upon every rival conception of reform.

The leaders inspired by Marx and Engels understood that while it was profitable to them to preach anti-capitalism, anti-imperialism and anti-fascism, the real threat to them came from the social democratic, Christian democratic and liberal reform movements of 19th and 20th century Europe and America.

However, the ideological identity that Marx and Engels had given to communism, as the sole historical alternative to capitalism, meant the capitalists themselves came to believe this, and when the communist movement failed, 80 years after it had come to power in Russia, this seemed an unqualified validation of capitalism.

On the other hand, virtually

everyone today would acknowledge that Marx and Engels were prophetic analysts of capitalism. Their account of a restless, innovative, internationalist industrial system, constantly destroying and recreating itself, is actually a better description of today's globalized free-market capitalism than of the capitalism of 1848, when they wrote.

Their description of a conscienceless and predatory system finds echoes among globalism's critics today, even those who believe, with Margaret Thatcher, that there is no alternative to the system that now prevails among the industrialized nations and in a large part of the non-Western world.

Many concerned about the social and human devastation that globalization can produce, and about its indifference or hostility to ethical and social considerations, have nonetheless concluded that the technological, economic and political forces behind it are irresistible.

Most voters in the industrial nations undoubtedly take for granted the system in which

they live. The winners rejoice in its opportunities. The losers may resent their loss of security, and the market's destruction of familiar social structures and values, but find it hard to think that anything can be done to change what is happening.

Marxism's collapse has seemed to rule out critiques of modern capitalism as irrelevant and to make proposals to reform it seem futile or utopian.

A basic division of opinion exists today between those who think that a choice of society does still exist and those who believe that no choices remain: that in the famous formulation of Francis Fukuyama (and in a sense he did not intend, but which was implicit in what he wrote), history has ended.

This division exists inside countries but also divides certain nations from others, notably in setting what can be called the Atlantic countries — the United States, United Kingdom, the Netherlands and certain others — from those in which voters are prepared to believe that contemporary capitalism can or should be changed, or at least that it can

be reconciled with the model of social capitalism, or welfare capitalism, that emerged in Western Europe and Scandinavia after World War II.

The Germans and French are leaders of the latter group. The next German national election, in September, will turn in part on social and welfare issues.

In France these issues were responsible for a devastating defeat of the conservative government in parliamentary elections a year ago.

The French Communist newspaper, L'Humanité, recently commissioned a national poll on attitudes toward capitalism. Asked whether they felt enthusiasm about capitalism, or hope, indifference, fear or rebellion, 22 percent said enthusiasm or hope, and 53 percent said fear or rebellion. This was a cross section of the entire population.

The 10 values that the French respondents to this poll associated with capitalism were, in order of importance, technological innovation, egoism, competitiveness, creation of riches, unequal opportunity, progress, social exclusion, freedom of expression, devaluation of work and insecurity.

That is as significant a fact as the emergence of European monetary union itself.

International Herald Tribune, Los Angeles Times Syndicate

How America Can Head Off an Arms Race in South Asia

By Selig S. Harrison

WASHINGTON — Despite India's five nuclear tests last week, there is still a way for the Clinton administration to stop New Delhi from embarking on a costly and dangerous nuclear arms race with China and Pakistan.

The sanctions imposed by President Bill Clinton will only make India more intransigent unless they are accompanied by realistic diplomatic trade-offs. Indian leaders have made clear that they are ready to end testing and to cut off stockpiling of plutonium for nuclear weapons if the Clinton administration will end sanctions and give India, as it has given China, access to U.S. civilian nuclear technology to help satisfy the burgeoning energy demands of an exploding population, now nearing 1 billion.

China conducted a much-criticized series of six nuclear tests from 1994 to 1996 before announcing its readiness to sign the nuclear test ban treaty. Less than two years later, the Clinton administration has just reversed a U.S. ban on the sale of U.S. civilian nuclear technology to Beijing in return for Chinese commitments not to export nuclear and missile components and know-how.

Unlike China, Indians point out, India has never exported nuclear and missile technology despite multibillion-dollar of-

fers from Saddam Hussein and Moammar Gadhafi.

Productive negotiations with New Delhi are still possible.

Although India last week declared itself a "nuclear weapons state," it has not yet decided whether to deploy nuclear weapons in its armed forces and, if so, how extensively. The purpose of testing, Indian leaders say, was to demonstrate a capability to make sophisticated nuclear weapons and to deploy them on short notice, especially a nuclear warhead for its Agni intermediate-range ballistic missile.

The decision to test last week was in large part a response to domestic political pressures that are now likely to subside. Six weeks ago, when Pakistan tested a new missile capable of reaching deep into Indian territory, the new Hindu nationalist government of Prime Minister Atal Bihari Vajpayee felt compelled to respond strongly. American warnings that testing would bring sanctions fanned nationalist sentiment, and Indian public opinion has overwhelmingly welcomed the tests.

I spent six years in India as a foreign correspondent and still visit frequently. Every politically conscious Indian I know deeply resents the American attitude that the United States and

the four other nuclear powers are entitled to have nuclear weapons while India and other aspiring powers are not. This feeling is a more important factor driving Indian nuclear ambitions than fear of Chinese and Pakistani military strength.

Since India is one of the world's oldest and largest civilizations, its people take its great-power status for granted and expect others to do the same. Successive American administrations have either patronized or ignored India while lecturing it about nonproliferation.

Until two years ago, the United States repeatedly pressed India and Pakistan to give up their nuclear options. But in January 1995, then-Secretary of State William Perry announced an important, little-noticed reversal. He acknowledged that "the nuclear capabilities of India and Pakistan flow from a dynamic that we are unlikely to be able to influence in the near term. Rather than seeking to roll back which we have concluded is unattainable in these two countries — we have decided, instead, to seek to cap their nuclear capabilities."

Nevertheless, Washington has failed to give New Delhi and Islamabad concrete incentives to cap their nuclear weapons potential at present levels. The technology transfer agreement with China has made it urgently necessary for the Clinton administration to explore precisely what India would be prepared to do in return for access to U.S. civilian nuclear technology and U.S. cooperation in nuclear safety. Until an accommodation is reached with India, no agreement with Pakistan is possible.

As a beginning, the administration should offer to seek congressional approval for civilian nuclear technology transfers to India, now barred by the Nuclear Nonproliferation Act, in return for three major concessions by India.

First, India would agree to extend the application of international inspections, now limited to one U.S.-supplied reactor near Bombay, to all seven of its civilian nuclear power reactors and to any new power and medical research reactors supplied by U.S. or other foreign companies. This would prevent the diversion to military purposes of fissile

material produced with U.S. cooperation. The research reactors and reprocessing facilities where India's militarily applicable nuclear stockpiles are produced would remain exempt from inspections until the conclusion of a pending international accord capping such stockpiles.

Second, India would make some form of binding de jure commitment not to export nuclear technology, formalizing its present policy. This would place India in accord with a key provision of the nonproliferation treaty.

Third, India would have to reach a compromise with the United States on the issue of a nuclear test ban. New Delhi has refused to sign the Comprehensive Test Ban Treaty, insisting it be linked with a timetable for the reduction of nuclear weapons by the existing nuclear powers. But India might agree to sign the treaty, or to make some other form of international commitment not to test without formally signing it, now that it has conducted the tests it regarded as essential to make its nuclear option credible.

Such an agreement would set the stage for broader negotiations in which the United States would seek commitments by India and Pakistan to cap the further accumulation of weapons-

grade fissile material and to continue refraining from the deployment of nuclear weapons.

India said last week that it was ready to join negotiations on the pending global fissile material cutoff agreement, which would commit signatories to freeze their stockpiles of weapons-grade nuclear material and submit to international inspection.

But Indian and Pakistani commitments not to deploy nuclear weapons or to limit the level and nature of deployments would be unlikely unless the United States and Russia moved much more rapidly to reduce their own nuclear weapons as the prelude to multilateral reductions embracing China, Britain and France.

President Clinton should go ahead with his projected autumn mission to South Asia not only to carry forward negotiations on nuclear issues but to demonstrate a new American interest in a long-neglected part of the world.

The writer, a former South Asia bureau chief for The Post, is a senior scholar of the Woodrow Wilson International Center for Scholars and a fellow of the Twentieth Century Fund. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Patriotic Boycott

NEW YORK — All French goods here and at Chicago, St. Louis, Washington and Philadelphia are being avoided by the general public because of France's support of Spain. The women are more patriotic than the men in this instance. There is really a decided movement among some of our prominent women to leave off wearing French dresses, bonnets and lingerie. But when men are asked to forego French wines, especially champagne, they make wry faces and declare that George Washington would never have drunk American champagne under any circumstances.

1923: Insanity Cause

TRENTON — The crowning of diseased teeth is responsible for much insanity, according to Dr. John Draper, surgical expert of the New Jersey Hospital for

the insane. "Such crowning drives a poison forty times as dangerous as a rattlesnake into the system instead of allowing it to leak out," he says. On the basis of his experience with 2,000 patients, he declares that much insanity is due to functional toxic derangement affecting the brain.

1948: China Inflation

NEW YORK — [The New York Herald says in an Editorial:] In the black market in Shanghai it now takes one million Chinese dollars to buy one American dollar. The monetary inflation in China, in progress for a decade, seems to be almost out of control. The results, as in all similar cases, are disastrous. The basic cause of the inflation is that the Chinese government printed money to make up for its loss of normal revenues during the war with Japan and the civil war that followed.

Herald Tribune

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Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10. Advertising, (1) 41.43.92.12. News, (1) 41.43.93.38.
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 730201126. Commission Paritaire No 61337.
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INTERNATIONAL

Israeli Supreme Court To Rule on Torture

Ban on Security Forces' Practices Is Sought By Palestinians and Human Rights Groups

By William Drozdiak
Washington Post Service

JERUSALEM — In an unprecedented challenge to the security forces, the Israeli Supreme Court opened hearings Wednesday in a case contesting the use of violent interrogation methods that human rights groups and Palestinian detainees say are tantamount to torture.

The appeal, which was brought by four former prisoners and two human rights organizations, asked Israel's highest judicial authority to ban all forms of physical abuse that may violate conventions on torture that Israel and many other democratic governments have signed.

The Israeli government insists that employing "modest physical pressure" to extract information from hundreds of Palestinian detainees held without charges has been invaluable in uncovering terrorist plots and preventing the loss of civilian lives.

A deposition filed by Ami Ayalon, head of the nation's General Security Service, contended that dozens of planned bombings and kidnappings by Palestinian terror cells had been thwarted in the last year because of names, details or confessions gleaned from prisoners through "special and unusual methods" by Israeli interrogators.

According to testimony by several Palestinian detainees, those methods include wearing hoodies soaked in vomit or urine and being shaken violently, bound and gagged in painful positions, deprived of sleep and subjected to blasts of cold air and loud music.

The landmark case is being closely watched to see what kind of legal limits the judicial system may decide to impose on the country's security forces.

While some temporary injunctions have been issued in the past, the Israeli court has never before been asked to issue a blanket ruling on the legality of using force against detainees.

The nine justices on the panel made it clear that they were dismayed about being asked to rule on a key legal precedent in the absence of any legislative guidelines for police interrogations.

"Why should the Supreme Court pull the chestnuts out of the fire for the Parliament?" complained Chief

Justice Aharon Barak. But the court consented to take the case and promised to reach a decision as quickly as possible.

In 1987, a government commission headed by a retired chief justice, Moshe Landau, advised that "moderate physical pressure" could be used against suspects in special circumstances to save lives.

Human rights advocates say the finding has been exploited to justify state-sanctioned torture on a regular basis.

The Israeli human rights group B'tselem published a report this week concluding that 85 percent of the 1,000 to 1,500 Palestinians detained for interrogation last year were subjected to practices that fit the legal definition of torture — even though many were released without any criminal charges being filed.

B'tselem's director, Yuval Ginbar, said such brutality only foments more hatred against Israel and perpetuates the violence that has plagued the quest for an enduring peace settlement.

"The security services are unaware of the negative repercussions of hundreds of Palestinians going back to their societies with very bitter and very angry feelings," Mr. Ginbar said. "Many democracies fighting against terrorism use interrogation techniques that are clever and intelligent and have proved no less effective than brutal methods."

Dan Yakir, a human rights lawyer, urged the court to ban security forces from violently shaking their suspects, which he called "an ignoble means."

Mr. Yakir is defending a claim brought by the family of Abed T'samed Harizat, who was grabbed and shaken so forcefully during his detention in April 1995 that he died within days of his arrest.

But the Israeli state attorney, Shai Nitzan, argued that the terrorist threat has become so pervasive that interrogators should be entitled to use physical force whenever they are convinced that doing so could prevent future bombings or kidnappings.

"In today's security situation," Mr. Nitzan said, "the employment of 'the shake' is vital. Its use cannot be forgone without having a seriously debilitating effect on the capabilities of security forces to thwart severe terror attacks."



A British soldier on patrol talking to a young child Wednesday in Beechmount, a Roman Catholic area of Belfast.

INDONESIA: Gleeful Students Insist That Suharto Must Go

Continued from Page 1

it's a victory, because their No. 1 goal is to get Suharto to stand down."

Elsewhere around Jakarta, a show of military might thwarted opposition politicians' plans for a huge street march that would have taken up to a million people within eyesight of the presidential palace. Tanks were moved out overnight, and barbed-wire barricades blocked off all the major streets in the center of the city. Amien Rais, a Muslim leader and the march organizer, said he had canceled the protest because he feared "another Tiananmen Square," a reference to the massacre of students in Beijing in June 1989.

Rallies were also held in cities across the archipelago, the largest in Yogyakarta where as many as a half-million people held a huge anti-government demonstration described as peaceful.

With the march in Jakarta canceled, and the heavy troop presence keeping most people off the streets, the students instead took over Parliament — the legislative chamber, an adjacent nine-story office building, and the manicured outdoor grounds, with palm trees, a pool and fountain, and a modernist sculpture. In contrast to the tension outside, the mood on the Parliament grounds was festive. But the joy, sometimes playful mood masked a serious goal — the overthrow of Mr. Suharto's 32-year-old regime.

The banners hung from the office building showed the uncompromising nature of their demand. "Suharto Step Down!" said one. "End the Suharto Dynasty," read another. And yet another said, "Suharto, the Whole World Wants You to Go Now!"

"We're witnessing history," said a veteran Indonesian journalist, Fikri Jufri, who seemed awed as he surveyed the scene.

SUHARTO: Albright Urges Indonesian to 'Preserve His Legacy'

Continued from Page 1

drag Pakistan's world standing down."

By deciding not to test, Mrs. Albright said, Pakistani leaders would "pull South Asia back from an arms competition that nations there cannot afford and might not survive."

Signs of bipartisan congressional support emerged Sunday for efforts to reward Pakistan for restraint. The chairman of the Senate intelligence committee, Richard Shelby, Republican of Alabama, and the deputy chairman, Robert Kerrey, Democrat of Nebraska, said they would support sending Islamabad 28 F-16 fighters for which it has already paid more than \$600,000. Delivery of the jets was suspended amid U.S. concerns about the Pakistani nuclear program.

Mr. Suharto, Mrs. Albright said, can "preserve his legacy as a man who not only led his country but provided for its democratic transition."

The secretary of state also urged the Indonesian to exercise restraint in dealing with demonstrators.

While Mrs. Albright's comments on Indonesia seemed aimed at helping the country pass through a harrowing crisis as quickly as possible, their effect — and the larger ability of American diplomacy

He added, "It's become people power!"

The students are well-organized. Mothers and housewives responded to a radio appeal and brought food and water and passed it over the fence. The students set up their own identity check at the front gate, allowing only students and journalists to pass through to their "liberated zone," fearing that outside agitators — like members of the thugish pro-Suharto youth militia, the Pemuda Pancasila — might try to infiltrate the grounds.

The students were clear that, while they appreciated sympathy from outsiders, they wanted to keep their protest confined behind the gates of Parliament. Talking to the streets, many said, might risk inciting the crowds outside to violence and another spasm of looting such as the one that occurred last week.

"When people join the students, then there will be riots," one business-school student said.

Most of the students wore blazers of their school colors — bright orange and reds and blues and greens — creating a brilliant patchwork that spread out across the grounds.

The students, complete with first aid kits and media guides, organized themselves into shifts, so some students could stay overnight to hold the grounds of their new campus while others returned home to sleep. And while they lack a single leader or group of leaders, there seems to be little rivalry or jockeying for the spotlight. Many students were even reluctant to give their school name, saying they want to speak for all students, not just their own university.

Mr. Suharto has offered to step aside, but only after new elections are held and a new Parliament is able to name his replacement. In the meantime, he said, he will begin instituting reforms through a new cabinet and a "reform council" to be named Thursday. Some analysts have

to influence events in Indonesia — remained uncertain.

"It could insult the president," said Charlie Zennie, a former editor of the Indonesian Observer, a Jakarta newspaper, who is a consultant to the School of Advanced International Studies at Johns Hopkins University. "It could also galvanize the opposition. The students, especially the ones sitting at the Parliament Building, could say, 'See, the United States is with us.' It could also bring similar comments from other major powers."

One potential source of influence is the handling of Indonesia's \$43 billion international bailout, following the Asian financial crisis last year. The bailout, led by the International Monetary Fund, is almost certain to be suspended and modified following recent events.

The State Department spokesman, James Rubin, said that a \$1 billion installment in the IMF loan package that was to be approved June 4 would almost surely be delayed, in part because Fund officials have been unable to travel to Jakarta.

It appeared that the bailout would not be resumed until the leading IMF members, including the United States, are persuaded that Mr. Suharto is moving

called that a face-saving compromise to allow Mr. Suharto to exit with dignity and spare Indonesia the trauma of a sudden transition for which the country, after three decades of one-man rule, is ill-prepared.

But for the students, who began their protest movement in February, Mr. Suharto's latest concession is not enough; the resignation, they say, must be immediate and unconditional.

"We support the need for reform," said one student, 24-year-old Rinaldi, from Yarsi University. "But we've made it very clear we want the president to step down, and that hasn't been achieved yet."

But while they agree on the desire for Mr. Suharto to go quickly, they are less clear on exactly who should replace him, or what shape the future Indonesian political order should take.

Some students said they supported Mr. Rais, a declared candidate for the presidency. Others prefer Emil Salim, a respected economist and former environment minister.

"It's a personal opinion," said Nazang, 24, a Yarsi University student. Added his friend, Amri, 25, "It can be a civilian or military, as long as they meet the requirements and are supported by the people."

The students, and their sympathizers, seemed divided on another issue: if Mr. Suharto resigns, should his vice president and longtime ally, B. J. Habibie, be also forced to resign? Some say yes, that Mr. Habibie is simply a Suharto crony and that all vestiges of Mr. Suharto's rule must be swept away. But others disagree, saying Mr. Habibie could stay on and serve in a caretaker's role for the remainder of Mr. Suharto's five-year term.

"The important one is Suharto," said Tati Krisnawati, who said she was at Parliament representing an Indonesian women's group backing the students.

toward democratic reform.

Some analysts compared the U.S. pressure for Mr. Suharto's resignation to pressure on President Ferdinand Marcos of the Philippines to step down in 1986 amid widespread protests over alleged vote fraud. He finally did so, to be replaced by Corazon Aquino, widow of an assassinated opposition leader.

It is less clear, analysts said, who might succeed Mr. Suharto.

The United States has long supported Mr. Suharto as a constructive leader and force of moderation, leading a populous country with a fast-growing economy. The severe financial crisis last year, however, was a turning point.

Concern has grown in Washington as violence has risen in recent days. Hundreds of the 10,000 or so Americans in Indonesia were evacuated last week.

Mr. Suharto's vow to step down had met some skepticism on Capitol Hill. Senator John Kerry, Democrat of Massachusetts, said the promise "could well be a delaying tactic."

Mr. Suharto has been harshly criticized by human-rights groups and others for his handling of East Timor. In the mid-1970s Jakarta invaded and annexed the former Portuguese colony, killing many thousands of protesters.

ULSTER: New Peace, Old Pain

Continued from Page 1

fall short, we see the dreary steeples of Fermanagh and Tyrone emerging once again."

In the spring, the patchwork of valleys, forests and bogs below Lough Neagh sprout yellow gorse, plants some have seen as symbolic this year of the choice facing Northern Ireland. The clumps are welcome for binding the sandy soil but treacherous to the touch with their thorny leaves.

Built as a headquarters for Celtic chieftains — the word "dun" meant "fort" — Dungannon divides its population of 9,500 evenly between Catholics and Protestants and boasts the first local government to have ever distributed power between the two communities.

Under an arrangement followed since 1988, Catholics and Protestants swap leadership of the city council every six months.

Though their streets and buildings do not bear the tribal graffiti and flags and militaristic wall murals that demarcate neighborhoods in Belfast, the citizens of Dungannon still live largely segregated lives. Catholics drink in Maclean's on Donaghmore Road, Protestants in Haliday's on Church Street.

The security barriers that mark all the entrance roads to the town recall its history of sectarian bombings and killings that in the 1970s earned the area bounded by Dungannon, Armagh and Portadown the name "Murder Triangle."

The gathering in the gym of people from the mutually suspicious Catholic and Protestant communities — a rare occurrence in the North — was sponsored by BBC Radio Ulster for a call-in show with an unintentionally appropriate name for the conversational bent of this region. It is called "Talk Back."

"You don't discuss politics here with your neighbors," said Father Denis Paul, 65, the headmaster of St. Patrick's Academy, where he has taught for the past 40 years. "Catholics here wouldn't talk to Protestants about that unless you'd be wanting to start a riot."

Like most Catholics, he is for the agreement. "I like it and I'll vote for it," he said, "but I have my doubts about its future, knowing how deep the bigotry goes."

Negotiators from eight of Northern Ireland's 10 political parties and the governments of Britain and Ireland produced the peace settlement on April 10 after 26 months of talks and a frantic around-the-clock final session.

The pact sets up a new Northern Ireland Assembly and two other consultative bodies aimed at balancing the desire of Protestants to reaffirm their status as British and the longing of Catholics to pursue the goal of unity with the Republic of Ireland to the south.

The burden of trying to move long-held extreme positions toward the center has now shifted from the negotiators to the 1.2 million voters of Northern Ireland, and the culture among Protestants of stubborn resistance to any tampering with tradition is not yielding easily.

A grimly complicating factor is the body count of more than 3,200 people killed in the conflict since 1969. Almost every person has suffered the loss of a relative or close friend, and the memories figure poignantly and disruptively in the process of making up minds.

In addition, people are reacting to the fierce feelings of community loyalty that often bar the way to stepping across traditional cultural lines.

The Reverend Brian Bower of the Church of Ireland said many of his parishioners wanted to vote "yes" but could not bring themselves to do so because of feelings of obligation to a neighbor who may have had a family member killed. He predicted that some people would deliberately spoil their ballots, allowing them to satisfy their commitment to voting without having to make a decision.

Back in the gymnasium in Dungannon, God was freely recruited by both sides, with supporting scripture from Romans, Leviticus and Deuteronomy. It seemed by the end of the tumultuous hour that no one remembered Anne Slaine's quiet plea for guidance on how to reconcile her vote with the fate of her son Paul, the 27-year-old former police officer maimed by an Irish Republican Army rocket seven years ago.

Then a student in the navy blue school sweater of St. Patrick's spoke up.

"I would like to address a comment to the lady in the front," he said softly. "I understand how she thinks a 'yes' vote will betray her son. But I ask her to consider the fact that a 'no' vote might betray her grandsons."

and that the inability to bluff means that their only option is to use deadly force.

To be sure, the protesters' trust in the army is partly understandable, for the troops on display these days often seem about as threatening as plastic toy soldiers, and rather more congenial. When Captain H. S. Purnuma, the officer in charge of some of the troops at the parliament building, was asked whether his men had regular or rubber-coated bullets in their submachine guns, he beamed and laughed and stuffed his feet.

"We don't even have rubber bullets," he said with an embarrassed grin. "We have blanks."

Still, in other places in Asia soldiers have often cheered a man in a

THEFT: Art World Suffers Another Blow

Continued from Page 1

that the robbers Tuesday night were armed was unusual. "This is not like a theft," he said. "It is more like a kidnapping."

The Italian press agency Adn Kronos said it received an anonymous call Wednesday that the paintings would be returned if all "conditions" — including political conditions — were met. The police were unable to confirm Wednesday whether the call was genuine.

Distressed government and museum officials struggled to explain what happened and to defend the museum's security system. "Unfortunately, theft is a danger the entire art world has to live with," said Mr. Veltroni, who described the robbers as professionals. "The security system was adequate, but it did not foresee an armed robbery."

Italy has had a recent string of art-world misfortunes. Last January, vandals poked holes through two paintings by Henri Matisse that were on loan to the Capitoline Museum in Rome from the National Gallery in Washington. On Wednesday, a vandal poked holes in eight 17th century Italian paintings at the Palazzo Venezia, including a work by Mattia Preti.

The police were unable to explain where and how the three men hid in the vast white marble art gallery in the Villa Borghese on Tuesday night, but they surmised that the thieves walked in as visitors, lingered until the 10 P.M. closing time, then concealed themselves until around 10:30 P.M.

Masked, carrying guns, and walking in their stocking feet to avoid making noise, the three men burst into the basement security room, where three female guards were on duty. They tied up two of the guards and forced the third to deactivate the alarm systems and video cameras.

Then, investigators said, the men walked upstairs, passing through several glass doors, to the brick annex built in 1980 where the paintings were hung. They grabbed the paintings along with money from a safe and museum tickets before walking out of the main entrance.

The thieves had taken the precaution of removing the videotape from the surveillance cameras. The museum's director, Bianca Alessandra Pinto, stressed that all the alarm systems were working until the thieves had them turned off.

As for the paintings, Mr. Veltroni said, "Our commitment now is to try and get them back."

DATA: Wirelessly Connected SATELLITE: Silence of the Pagers

Continued from Page 1

technology industry believe connectivity holds the key to future growth. Although anyone can hook up a mobile phone to a laptop computer today, the need to carry multiple cables, often using proprietary technology, has curbed usage.

The Bluetooth device transmits information at a rate of 1 million bits per second, a speed fast enough to accommodate World Wide Web browsing, the companies said.

"The real gain is to have a unified network or system," Douglas Smith, an analyst at Salomon Smith Barney, told Reuters. "Barriers over standards have only slowed the process down."

"It's quite interesting that Ericsson and Nokia are on the same stage together with computer giants as Intel and IBM," Mr. Smith added, saying it showed "the convergence with communication companies is increasing."

"As this technology develops," Mr. Siberg of Ericsson said, "I'm sure there are a lot of new services and concepts we cannot even think about today."

the night at the hospital because of the problem.

"We have a good support staff," Dr. Dickens said, "but protocol says they can't make a decision without first calling the doctor."

Dr. Dickens said that for his brother, an obstetrician, "it's a nightmare. He's got eight ladies in labor right now. Thank God for cell phones."

New Hampshire state police informed other law enforcement agencies that the paging system for officers in the major crimes unit was down.

Gas stations, meanwhile, were having problems with pay-at-the-pump machines that could not accept credit cards.

"We're going back to the old ways, manually," said Maurice Tamamian, a manager at a Chevron gas station in Los Angeles. "It's a pain in the butt."

Radio stations had trouble receiving feeds from National Public Radio. Some public radio stations went off the air because of the lack of programming.

"My stations are off. Nothing," said

Continued from Page 1

entire protest movement — rather than just prevent a rally in the central square — then it failed dismally.

"It's just a way for the military to try to scare people," laughed Syafruddin, 39, a lawyer who brought his two daughters on his motorcycle to cheer for the students. "The army is bluffing. Except in the case of riots, there won't be any shooting."

Mr. Syafruddin's 7-year-old girl, Rani, piped up stoutly: "I'm not scared."

She explained that her uncle is an army officer and that she knows that the army will not shoot little girls. One of the Indonesian Army's prob-

won't ever use it." The upshot is that threats are ineffective. The army may be holding Indonesia at gunpoint, but people do not pay it much heed because they are convinced it will never shoot.

So the army may not be able to achieve its objective — a dignified exit for Mr. Suharto and a process of political succession that the generals can control — merely by threatening the use of force.

Ironically, that may increase the likelihood of the actual use of force, for there may be no other way for the generals to get their way.

"The Indonesian generals have done it rather better than the Chinese did, because they haven't had to kill hundreds of people," said a Western dip-

high school teacher, referring to the 1986 Philippine popular uprising and the 1979 Iranian revolution.

What about Tiananmen Square in China? he was asked.

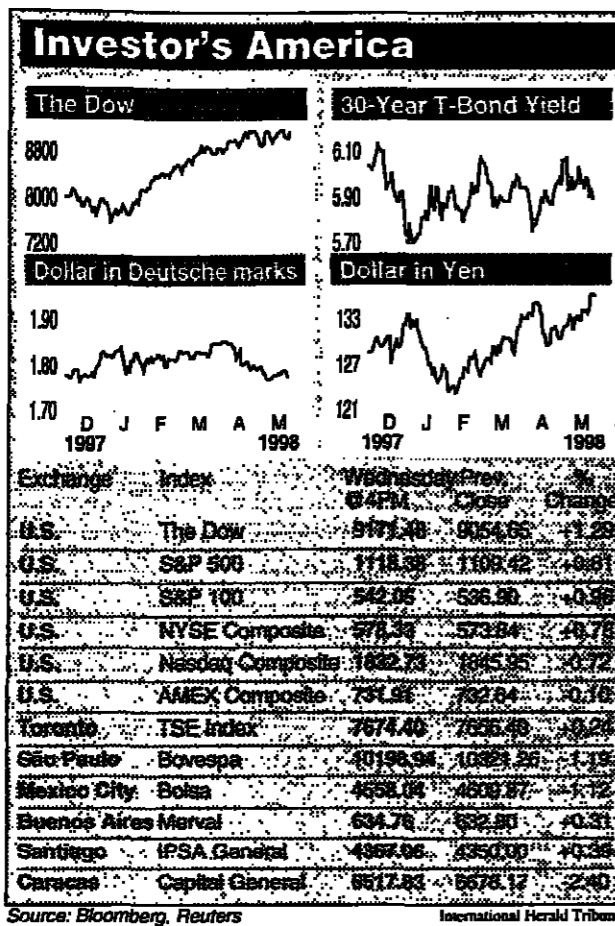
"Oh, that," he said. "Hmmm. Yes, well, of course in China people power didn't work. But Indonesia is not a Communist country."

The consequence of the general conviction that force will not be used is that the public is becoming steadily bolder. The slogans have moved in less than a month from vague words like "reform" and "succession" to "Suharto must step down" to "hang Suharto."

On Wednesday, some student protesters were wildly cheered when they carried a puppet of Mr. Suharto hanging

FEAR: In What May Be a Fatal Error, Indonesian Protesters Feel Army Is on Their Side

THE AMERICAS



Blue-Chips Advance, But Dell Slows Techs

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices finished mixed Wednesday, with blue-chip issues rising on hopes that low interest rates will drive demand for equities while technology shares fell amid disappointment with Dell Computer's earnings.

"You've got interest rates doing one thing and profits another, so there's a balancing act going on in the market right now," said Benedict.

U.S. STOCKS

Capaldi, a money manager at Cowen Asset Management.

"I'm not sure the potential for earnings shortfalls in the third and fourth quarters has been taken into account by investors."

The Dow Jones industrial average closed 116.83 points higher at 9,171.48, and the Standard & Poor's 500 index rose 9.51 points to 1,119.06. Declining and advancing issues were nearly even on the New York Stock Exchange, and the Nasdaq composite index finished 14.11 points lower at 1,831.76.

Dell was the most actively traded U.S. issue, falling 27/32 to 91 1/4 despite reporting a 54 percent increase in first-quarter profit.

AT&T to Bells: Sell Ours, Too

The Associated Press

SECAUCUS, N.J. — AT&T Corp., borrowing a tactic from its rivals, said Wednesday that it had told the five regional Baby Bell phone companies it wants them to sell AT&T's long-distance service.

Last week, AT&T, MCI Communications Corp. and other long-distance phone companies sued two of the Baby Bells to stop them from carrying the long-distance service of a rival, Qwest Communications International Inc.

AT&T's chairman, C. Michael Armstrong, wrote late Tuesday to the five regional Bell companies and GTE Corp., requesting that AT&T be allowed to enter into the same arrangement with them as Qwest. "We also would like to provide our customers the convenience of one-stop shopping should those arrangements be found lawful," he wrote.

"Even though Dell's numbers exceeded analysts' expectations, they didn't exceed the whisper numbers," said Peter Coudridge, senior equity trader at Brean Murray & Co.

"Whisper numbers" are unofficial forecasts that are usually higher than published market estimates. Dell also said the average selling price for its machines had fallen more than analysts had expected. Computer makers' profit margins have been battered by price wars this year.

Compaq Computer fell 1/4 to 29 1/4, IBM fell 1/2 to 123, and Gateway lost 3/4 to 46 1/4.

"Investors are nervous about the technology sector," said John Maack, a money manager at Crabbe Huseon Group Inc. "If you're a holder of tech stocks, you know you have exposure to potentially negative developments, but you're just not sure what they are at any moment or from what direction they'll come."

But higher Treasury bond prices shored up the blue-chips. The price of the benchmark 30-year bond rose 14/32 point to 103 3/32, sending the yield down to 5.90 percent from 5.93 percent Tuesday.

The bond market was shored up by government data showing an increase in the U.S. trade deficit.

"This looks good," Jim Cusser, an asset manager at Waddell & Reed Inc., said of the trade data. "Imports are coming in at very cheap levels, keeping a cap on inflation."

Low borrowing costs are good for stocks because they make it easier for companies to expand their businesses while lessening the attraction of fixed-income securities such as bonds.

Analyst Devices fell 6/8 to 27 1/4 after the chipmaker reported disappointing profit for its second quarter and warned it would post similar results for the current quarter. Analyst blamed an uncertain near-term outlook for the semiconductor market.

PepsiCo rose 2 1/8 to 40 1/4 after an analyst at Goldman, Sachs & Co. recommended the stock because of the company's profit outlook.

Neotherapeutics rose 9 1/16 to 19 1/4 on optimism about a treatment for Alzheimer's disease that the biotechnology company has been testing.

Resortquest International's initial public offering of 5.8 million shares at 11 was well received; the stock rose to 15 1/4.

Sharper Image rose 19/16 to 7 1/5 after the up-market gadget retailer said it would revamp its Internet site to try to reach younger customers as well as international markets.

(Bloomberg, Reuters, AP)

No Facts, No Insight: No Problem

By Gretchen Morgenson
New York Times Service

NEW YORK — For individual investors in the stock market, a little knowledge can be a very dangerous thing.

So concludes a study conducted by three professors at the Johnson Graduate School of Management at Cornell University.

Some 18 months ago, Robert Bloomfield, Robert Libby and Mark Nelson set out to compare the behavior of two groups of investors: those who were relatively uninformed about a company's prospects and those armed with more financial data about it. What they found was that uninformed investors were just as confident and aggressive in their stock trading as investors who had much more information at their disposal.

"Ideally, the less informed investors should be less confident about their predictions of a security's value and trade more cautiously," Mr. Bloomfield said. "But we find they are every bit as confident as those who really do know more."

And the more confident investors are, the more likely they will blunder by buying stocks at high prices and selling them at or near lows, the professors found.

"People vastly overestimate

how much information they have," said Mr. Bloomfield, an accounting professor at Cornell, who oversaw the study. "As a result, they don't act cautiously enough."

For the two-part study, about 60 graduate business school students were asked to analyze the stocks of 14 profitable companies. Half were given a single piece of financial data to use in their analysis, the expected rate of growth for each company's return on equity. The other group received three pieces of financial data about each company: its book value, current return on equity and expected growth in return on equity.

After receiving the data, the participants were asked to estimate the value of each company's stock, state how confident they were that the true value was greater than the estimate and place an order for the number of shares they would like to buy at the estimated price.

As it turned out, the confidence levels of less informed investors were indistinguishable from those of the better informed ones. Only one thing took any wind out of the overconfident investors' sails.

That happened when the study's leaders told them how insignificant the information they relied upon really was. Then the uninformed investors' confidence

levels declined significantly.

Could the use of business school students rather than everyday investors skew the Cornell study's findings at all? Not according to Mr. Bloomfield. He says it is quite common for academic researchers to use graduate business students as laboratory rats. "Their behavior has been found to parallel other folks who invest regularly," he said.

It has long been thought that individual investors have an edge in their access to data, act with caution. The Cornell study casts doubt on this view.

The study's results may also explain why some stock prices — particularly those with a large retail investor following — can get so far ahead of themselves at times. If investors buy up stock prices because they think they know more than they do, valuations can get way out of whack.

"People are not good at figuring out how good information is," Mr. Bloomfield concluded.

The study shows why the trend among publicly traded companies and mutual funds toward providing less information to investors is not a good one. The move to summary prospectuses for mutual funds came about, for example, because it was thought that investors did not need reams of data.

Europe's Rate Outlook Weighs on Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against other major currencies Wednesday after U.S. and German trade data suggested European rates would rise before U.S. rates did.

Germany's March trade surplus grew to a six-month high, a sign the economy there may be emerging from a six-year slowdown. The United States, meanwhile, said its trade deficit widened to a record \$13 billion in March, an increase of nearly 9 percent from February.

Dealers said the U.S. deficit, which was much wider than expected, raised fears that the Asia crisis was finally beginning to bite into U.S. economic growth.

Dealers said concerns about the effect of the Asia crisis on U.S. growth had been exacerbated by signs of an improving outlook in Germany, as the Bundesbank revised the March industrial production fig-

ures upward to show a gain of 0.8 percent, rather than a previously reported drop of 1.0 percent.

"If Europe does recover, rates will go up there, and if the U.S. starts to weaken, then rates will come down," said Steven Smith, a bond

FOREIGN EXCHANGE

manager at Brandywine Asset Management. "With the trade deficits running the way they are, European currencies will do better than the dollar."

The dollar fell to 1.7703 Deutsche marks in 4 P.M. trading from 1.7832 DM on Tuesday, and to 5.9365 French francs from 5.9810 francs and to 1.4763 Swiss francs from 1.4808 francs. The pound rose to \$1.6333 from \$1.6214. The dollar also slipped to 136.010 yen from 136.395 yen.

"Europe is positioned very, very well," said John Hazelton, chief

currency trader at Manufacturers & Traders Trust. "We've enjoyed such a wonderful run in our economy that all the good news may be out for the States, while all the bad news may be out for Germany."

Dealers said some European investors were apparently caught by surprise when Federal Reserve Board policymakers left U.S. rates unchanged at their meeting Tuesday.

"Many European investors were disappointed that the rate in the U.S. was not hiked, so they had to liquidate their long dollar positions," said Hugh Walsh, senior trader at Commerzbank in New York.

Easing tension in Indonesia, meanwhile, helped support the yen. But the currency's gains were limited by a report that Japan's Economic Planning Agency was poised to acknowledge, possibly in June, that the economy had slipped into recession.

(Bloomberg, Brinkley News)

Very briefly:

• MetroNet Communications Corp. of Calgary, Alberta, plans to buy the local phone service of Rogers Communications Inc., a cable-TV and phone company, for 1 billion Canadian dollars (\$690 million) in cash and stock.

• Mexico's economy grew at an annual rate of 6.6 percent in the first quarter as manufacturing output rose at a rate of 10.8 percent. Farm output dropped 6 percent because of drought.

• Bank of New York Co. withdrew its unsolicited \$22.3 billion takeover offer for Mellon Bank Corp., after Mellon refused to discuss the bid.

• Toys 'R' Us Inc.'s first quarter profit fell 35 percent, to \$19.2 million as it faced competition from discount stores such as Wal-Mart Stores Inc. Sales rose 5 percent, to \$2 billion.

• Treasury Secretary Robert Rubin said the Asian economic slowdown was a "slight" drag on the U.S. economy as a slowdown in U.S. exports was offset by the moderating effects the crisis has had on inflation.

• Northern Telecom Ltd. won a five-year contract to deliver leading-edge network equipment to SBC Communications Inc. in a deal expected to be worth more than \$1.5 billion.

• McDonald's Corp. workers in Ohio say they will begin to form a union on June 1 unless the company addresses their concerns.

AP, Reuters, Bloomberg

Soros Buys Stake in Caracas Bank

Bloomberg News

CARACAS — The financier George Soros has expanded his holdings in Venezuela, home of the world's fourth-worst performing stock market this year, buying a 5 percent stake in Banco Caracas CA, his partners said Wednesday.

Mr. Soros bought the shares in the 11th-largest Venezuelan bank this month, even as surging interest rates and political uncertainty have pounded stocks in the country. The benchmark index has plummeted 27.4 percent this year as oil prices fell to nine-year lows. The top Venezuelan export is oil.

AMEX

Wednesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Price	High	Low	Change
IBM	123.00	123.50	122.50	+0.50
Microsoft	45.00	45.50	44.50	+0.50
Apple	35.00	35.50	34.50	+0.50
Oracle	25.00	25.50	24.50	+0.50
Sun	15.00	15.50	14.50	+0.50
HP	10.00	10.50	9.50	+0.50
Intel	5.00	5.50	4.50	+0.50
Northern Telecom	4.00	4.50	3.50	+0.50
WorldCom	3.00	3.50	2.50	+0.50
Verizon	2.00	2.50	1.50	+0.50
AT&T	1.00	1.50	0.50	+0.50
Dell	0.50	0.75	0.25	+0.25
Compaq	0.25	0.50	0.00	+0.25
IBM	0.10	0.25	0.00	+0.10
Microsoft	0.05	0.15	0.00	+0.05
Apple	0.02	0.08	0.00	+0.02
Oracle	0.01	0.04	0.00	+0.01
Sun	0.01	0.02	0.00	+0.01
HP	0.01	0.02	0.00	+0.01
Intel	0.01	0.02	0.00	+0.01
Northern Telecom	0.01	0.02	0.00	+0.01
WorldCom	0.01	0.02	0.00	+0.01
Verizon	0.01	0.02	0.00	+0.01
AT&T	0.01	0.02	0.00	+0.01
Dell	0.01	0.02	0.00	+0.01
Compaq	0.01	0.02	0.00	+0.01

U. S. STOCK MARKET DIARY

Indexes

Dow Jones: 9,171.48 (+116.83)
S&P 500: 1,119.06 (+9.51)
Nasdaq: 1,831.76 (-14.11)
AMEX: 1,000.00 (+10.00)

Most Active

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

Standard & Poor's

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

NYSE

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
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Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

Nasdaq

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Dow Jones Bond

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Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

Trading Activity

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
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NYSE

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Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

AMEX

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

Dividends

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

STOCK SPLIT

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

STOCK

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

REVERSE STOCK SPLIT

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

INCREASED

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50 (+0.25)
Compaq: 0.25 (+0.25)

INITIAL

IBM: 123.00 (+0.50)
Microsoft: 45.00 (+0.50)
Apple: 35.00 (+0.50)
Oracle: 25.00 (+0.50)
Sun: 15.00 (+0.50)
HP: 10.00 (+0.50)
Intel: 5.00 (+0.50)
Northern Telecom: 4.00 (+0.50)
WorldCom: 3.00 (+0.50)
Verizon: 2.00 (+0.50)
AT&T: 1.00 (+0.50)
Dell: 0.50

EUROPE

Rover to Create 6,000 Jobs With a New Model

LONDON — Rover Group, a unit of BMW AG of Germany, said Wednesday it would invest £400 million (\$639 million) to build a new executive car to replace the Rover 600 and 800 series models, creating 6,000 jobs.

The investment will be played into upgrading Rover's plant at Oxford, England, and is expected to create 1,000 jobs within the company and 5,000 at local supplier companies.

The new car code-named the R40, is scheduled to make its international debut at the British International Motor Show in Birmingham in October.

It will be the first Rover car to be fully engineered under BMW's ownership. But analysts

expect the R40 to come in slightly below the BMW 3-series level, and it is not expected to bite into its parent company's sales.

"This new vehicle is a key element of the BMW Group product strategy and will make a significant contribution to the continued success of the company," Rover's chairman and chief executive, Walter Hesse, said.

Mr. Hesse said that the R40 investment was part of Rover's rolling £600 million annual investment program, which was launched in 1996.

The decision to build a new luxury/executive car comes as BMW is lagging in the race to buy Rolls-Royce Motor Cars Ltd., which now looks likely to be sold to Volkswagen AG. But

Rover said the R40 investment had been separated from the Rolls-Royce question and had been under consideration well before the Rolls auction began.

"The decision was made three weeks ago after one-and-a-half years' consideration," a Rover spokesman said.

But some uncertainty remains on what section of the market the new car will end up attracting, analysts said.

"Will it be seen by the market as an executive car which is close to the BMW 3-series or Mercedes C-Class?" said Arthur Maher, head of research at LMC International. "Or, as is more likely, will it find that its main competitors are the new Passat, 406 or Vectra?"

EU Approval Clears Bailout For Lyonnais

BRUSSELS — The European Commission's competition directorate gave its blessing Wednesday to a fresh rescue of Credit Lyonnais SA, clearing the way for the biggest bailout in corporate history.

The decision, which ends years of battles between the European antitrust authority and several French governments, makes unprecedented demands that the bank privatize and sell a huge asset portfolio.

The total aid granted by the French state to Credit Lyonnais is between 102 billion and 147 billion francs (\$17.06 billion and \$24.59 billion). That amount of state aid to a single company is "unique in the history of the European Union," the commission said. The amount includes two previous rescue packages, in 1994 and 1995.

In return, Credit Lyonnais must sell most of its European banking assets outside France, cut domestic branches to 1,850 by the year 2000 from 2,100 now and sell shares to the public without discriminating against foreign investors — all by October 1999.

The bank will be allowed to keep some operations in the financial centers of London, Zurich, Frankfurt and Luxembourg, but it must sell an equivalent amount of assets in Asia and North America. The commission did not specify the businesses that must be sold.

Analysts said the deal shut the door on the bank's tortured past and gave it a chance for a better future, albeit at a high cost.

The deal also marked a defeat for France, which promoted Credit Lyonnais in the 1980s to become, briefly, the world's largest bank outside Japan, only to be forced to bail it out repeatedly in this decade.

One-Time Tax Cuts Quarter's Profit at BT

LONDON — British Telecom PLC said Wednesday that fourth-quarter profit fell 6 percent, to £472 million (\$702 million), wrapping up a year of high revenue and a big hit the company took from a so-called "windfall" tax.

British Telecom said its net profit for the year ended March 31 fell nearly 10 percent, to £1.73 billion.

The £10 million the company paid in the windfall tax last year more than wiped out a one-time payment of £465 million that came when a merger deal with MCI Communications Corp. was broken up by a higher offer from WorldCom Inc.

The temporary windfall tax was imposed on former state-owned monopolies that had been sold off on the stock market by the previous two Conservative governments.

British Telecom's sales rose to £15.6 billion for the year from £14.9 billion the previous year. Quarterly revenue rose to £3.95 billion from £3.81 billion.

(AP, Reuters)



MUSING IN MOSCOW — A stock-exchange trader relaxing between transactions. The Russian stock index, which fell 1.45 percent Wednesday, has declined 58.7 percent since Jan. 1.

WORLD STOCK MARKETS

Wednesday, May 20
Prices in local currencies.

Amsterdam AEX Index: 1,194.58
Previous: 1,177.48

Helsinki HEX General Index: 6,714.14
Previous: 6,692.42

Bangkok SET Index: 3,551.51
Previous: 3,544.44

Bombay Sensex: 3,594.93
Previous: 3,594.42

Brussels BEL 20 Index: 3,775.22
Previous: 3,775.22

Copenhagen Stock Index: 2,232.48
Previous: 2,232.48

Frankfurt DAX: 5,510.98
Previous: 5,510.98

Kuala Lumpur Composite: 349.19
Previous: 349.19

London FTSE 100 Index: 5,877.80
Previous: 5,877.80

Madrid IBEX 35: 3,450.00
Previous: 3,450.00

Manila PSE Index: 2,180.29
Previous: 2,180.29

Mexico Bolsa Index: 4,559.12
Previous: 4,559.12

Paris CAC-40: 9,007.91
Previous: 9,007.91

Seoul KOSPI Index: 3,512.25
Previous: 3,512.25

Singapore Straits Index: 2,232.48
Previous: 2,232.48

Taipei Stock Index: 8,247.49
Previous: 8,247.49

Tokyo Nikkei 225: 14,635.18
Previous: 14,635.18

Zurich SPI Index: 4,740.81
Previous: 4,740.81

High Low Close Prev.

Amsterdam AEX Index: 1,194.58
Previous: 1,177.48

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Zurich SPI Index: 4,740.81
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Investor's Europe

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Paris CAC 40: 9,007.91

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Copenhagen Stock Index: 2,232.48
Helsinki HEX General: 6,714.14
Oslo OBX: 721.39
Stockholm SX 15: 4,129.55
Vienna ATX: 1,594.59
Zurich SPI: 4,740.81

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NYSE

Wednesday's 4 P.M. Close
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible][illegible][illegible][illegible][illegible]

High	Low	Stock	Day Yld	PE	100% High	Low	Latest
17.75	17.50	Aluminum Co. of Am.	1.10	12.4	17.75	17.50	17.75
17.50	17.25	Aluminum Ind.	1.10	12.4	17.50	17.25	17.50
17.25	17.00	Aluminum Ind.	1.10	12.4	17.25	17.00	17.25
17.00	16.75	Aluminum Ind.	1.10	12.4	17.00	16.75	17.00
16.75	16.50	Aluminum Ind.	1.10	12.4	16.75	16.50	16.75
16.50	16.25	Aluminum Ind.	1.10	12.4	16.50	16.25	16.50
16.25	16.00	Aluminum Ind.	1.10	12.4	16.25	16.00	16.25
16.00	15.75	Aluminum Ind.	1.10	12.4	16.00	15.75	16.00
15.75	15.50	Aluminum Ind.	1.10	12.4	15.75	15.50	15.75
15.50	15.25	Aluminum Ind.	1.10	12.4	15.50	15.25	15.50
15.25	15.00	Aluminum Ind.	1.10	12.4	15.25	15.00	15.25
15.00	14.75	Aluminum Ind.	1.10	12.4	15.00	14.75	15.00
14.75	14.50	Aluminum Ind.	1.10	12.4	14.75	14.50	14.75
14.50	14.25	Aluminum Ind.	1.10	12.4	14.50	14.25	14.50
14.25	14.00	Aluminum Ind.	1.10	12.4	14.25	14.00	14.25
14.00	13.75	Aluminum Ind.	1.10	12.4	14.00	13.75	14.00
13.75	13.50	Aluminum Ind.	1.10	12.4	13.75	13.50	13.75
13.50	13.25	Aluminum Ind.	1.10	12.4	13.50	13.25	13.50
13.25	13.00	Aluminum Ind.	1.10	12.4	13.25	13.00	13.25
13.00	12.75	Aluminum Ind.	1.10	12.4	13.00	12.75	13.00
12.75	12.50	Aluminum Ind.	1.10	12.4	12.75	12.50	12.75
12.50	12.25	Aluminum Ind.	1.10	12.4	12.50	12.25	12.50
12.25	12.00	Aluminum Ind.	1.10	12.4	12.25	12.00	12.25
12.00	11.75	Aluminum Ind.	1.10	12.4	12.00	11.75	12.00
11.75	11.50	Aluminum Ind.	1.10	12.4	11.75	11.50	11.75
11.50	11.25	Aluminum Ind.	1.10	12.4	11.50	11.25	11.50
11.25	11.00	Aluminum Ind.	1.10	12.4	11.25	11.00	11.25
11.00	10.75	Aluminum Ind.	1.10	12.4	11.00	10.75	11.00
10.75	10.50	Aluminum Ind.	1.10	12.4	10.75	10.50	10.75
10.50	10.25	Aluminum Ind.	1.10	12.4	10.50	10.25	10.50
10.25	10.00	Aluminum Ind.	1.10	12.4	10.25	10.00	10.25
10.00	9.75	Aluminum Ind.	1.10	12.4	10.00	9.75	10.00
9.75	9.50	Aluminum Ind.	1.10	12.4	9.75	9.50	9.75
9.50	9.25	Aluminum Ind.	1.10	12.4	9.50	9.25	9.50
9.25	9.00	Aluminum Ind.	1.10	12.4	9.25	9.00	9.25
9.00	8.75	Aluminum Ind.	1.10	12.4	9.00	8.75	9.00
8.75	8.50	Aluminum Ind.	1.10	12.4	8.75	8.50	8.75
8.50	8.25	Aluminum Ind.	1.10	12.4	8.50	8.25	8.50
8.25	8.00	Aluminum Ind.	1.10	12.4	8.25	8.00	8.25
8.00	7.75	Aluminum Ind.	1.10	12.4	8.00	7.75	8.00
7.75	7.50	Aluminum Ind.	1.10	12.4	7.75	7.50	7.75
7.50	7.25	Aluminum Ind.	1.10	12.4	7.50	7.25	7.50
7.25	7.00	Aluminum Ind.	1.10	12.4	7.25	7.00	7.25
7.00	6.75	Aluminum Ind.	1.10	12.4	7.00	6.75	7.00
6.75	6.50	Aluminum Ind.	1.10	12.4	6.75	6.50	6.75
6.50	6.25	Aluminum Ind.	1.10	12.4	6.50	6.25	6.50
6.25	6.00	Aluminum Ind.	1.10	12.4	6.25	6.00	6.25
6.00	5.75	Aluminum Ind.	1.10	12.4	6.00	5.75	6.00
5.75	5.50	Aluminum Ind.	1.10	12.4	5.75	5.50	5.75
5.50	5.25	Aluminum Ind.	1.10	12.4	5.50	5.25	5.50
5.25	5.00	Aluminum Ind.	1.10	12.4	5.25	5.00	5.25
5.00	4.75	Aluminum Ind.	1.10	12.4	5.00	4.75	5.00
4.75	4.50	Aluminum Ind.	1.10	12.4	4.75	4.50	4.75
4.50	4.25	Aluminum Ind.	1.10	12.4	4.50	4.25	4.50
4.25	4.00	Aluminum Ind.	1.10	12.4	4.25	4.00	4.25
4.00	3.75	Aluminum Ind.	1.10	12.4	4.00	3.75	4.00
3.75	3.50	Aluminum Ind.	1.10	12.4	3.75	3.50	3.75
3.50	3.25	Aluminum Ind.	1.10	12.4	3.50	3.25	3.50
3.25	3.00	Aluminum Ind.	1.10	12.4	3.25	3.00	3.25
3.00	2.75	Aluminum Ind.	1.10	12.4	3.00	2.75	3.00
2.75	2.50	Aluminum Ind.	1.10	12.4	2.75	2.50	2.75
2.50	2.25	Aluminum Ind.	1.10	12.4	2.50	2.25	2.50
2.25	2.00	Aluminum Ind.	1.10	12.4	2.25	2.00	2.25
2.00	1.75	Aluminum Ind.	1.10	12.4	2.00	1.75	2.00
1.75	1.50	Aluminum Ind.	1.10	12.4	1.75	1.50	1.75
1.50	1.25	Aluminum Ind.	1.10	12.4	1.50	1.25	1.50
1.25	1.00	Aluminum Ind.	1.10	12.4	1.25	1.00	1.25
1.00	0.75	Aluminum Ind.	1.10	12.4	1.00	0.75	1.00
0.75	0.50	Aluminum Ind.	1.10	12.4	0.75	0.50	0.75
0.50	0.25	Aluminum Ind.	1.10	12.4	0.50	0.25	0.50
0.25	0.00	Aluminum Ind.	1.10	12.4	0.25	0.00	0.25
0.00		Aluminum Ind.	1.10	12.4	0.00		0.00

Our first 200 years
as private bankers



Determination in the art of asset management



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ASIA/PACIFIC

Braving Downturn, Philippines Prepares for a Centennial

By Don Kirk
International Herald Tribune

CLARK FIELD, Philippines — On a barren site covered with dried lava flows from the eruption of Mount Pinatubo several miles to the west, 5,000 Filipinos are working night and day to complete an exposition marking the 100th anniversary of the proclamation of Philippine independence June 12.

It is a struggle that could fail as did the 19th-century revolution led by General Emilio Aguinaldo against the Americans, who did not grant independence to the Philippines until July 4, 1946.

"They've got to get cracking," said Dennis Gilbert, manager of a consulting firm hired 45 days ago to help get the project completed. "They've got a lot of work to do."

Managers and supervisors say enough of the site will be ready for President Fidel Ramos to tour the entry pavilion and preside over ceremonies including the crowning of a beauty queen in a canopied amphitheater with room for 35,000 people.

"You have to keep the spirits up," said

Lycette Ramos, manager of external affairs for Clark Development Corp., which oversees the development that is expected to cost about 6 billion pesos (\$150.4 million).

This former U.S. Air Force base 80 kilometers (50 miles) north of Manila, converted into a special economic zone after Mount Pinatubo erupted and the Americans pulled out in 1991, is a display of success but also reflects the concerns of Filipinos in a period of political and economic change.

The exposition, including national pavilions, rides and concessions, did not have enough funds and would not be close to opening were it not for Mr. Ramos's desire to turn the centennial into a salute to the country in the last month of his six-year term.

The most impressive monument to change in the Philippines is not so much the centennial exposition as the presence here of 150 investors in fields ranging from light industry to commercial offices to tourism, including three golf courses and three new hotels.

Clark Development anticipates \$300 million in investment in a year and several times that amount in five years.

As in much of the rest of the country,

however, the picture is mixed. The economic downturn means that business in "duty-free" shopping centers on the former U.S. base has declined by more than 50 percent. Some are only partly open and likely to close by the end of the year. Smuggling of products from the special economic zone is rampant.

But on a national scale, the policies of market-opening and liberalization that Mr. Ramos has implemented were major factors in an annual growth rate of 6.9 percent from 1992 through 1996.

Only last year, as the economies of other Asian countries reeled, did growth in the Philippines recede to slightly below 6 percent.

While the economies of Indonesia and some other Asian countries are expected to contract this year, the gross national product of the Philippines is still likely to rise 2 percent even though the Philippine peso has depreciated 50 percent in the past year.

"The Philippines is doing well," said Vinay Bhargava, country director of the World Bank in Manila. "Whatever happens in the region affects the Philippines, but it will be one of the first to recover."

He said he doubted that the transition from Mr. Ramos to his successor would halt or reverse the pace of reform. Mr. Ramos, who cannot succeed himself under the Philippine Constitution, is likely to hand over power June 30 to his vice president, Joseph Estrada, who has a commanding lead in the slow count of ballots cast in national elections May 11.

On Tuesday, Mr. Estrada presented a 10-point program for his anticipated first 100 days in office to a small gathering of the country's business leaders.

He said he would cut government expenditure, fight corruption, promote exports, open more areas to foreign investment, bring down inflation and interest rates, and keep the peso at an internationally competitive level.

The World Bank would like assurances of strict enforcement of banking regulations and greater transparency before releasing another \$300 million loan package, but it predicts a smooth transition of power.

"Our review has found the banking system in pretty good shape," Mr. Bhargava said. "What we have to watch is that the de-regulation policies put in place by this administration be adhered to by the next one."

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
13500	2000	17500
12500	1800	17000
11000	1600	16500
10500	1400	15500
9500	1200	15000
8500	1000	14500
7500	800	14000
6500	600	13500
5500	400	13000
4500	200	12500
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Very briefly:

- Mitsubishi Corp., Japan's largest trading company, said net income slumped to 9.6 billion yen (\$70.4 million) in the six months ended March 31, down 66 percent from a year earlier, as the slowdown in the economies of Japan and Southeast Asia hurt trade.
- Vietnam's central bank issued warnings to branches in Ho Chi Minh City of Deutsche Bank AG and Natexis Banque SA, saying they had charged customers too much in foreign-exchange transactions. Details were not disclosed, and executives of the German and French banks were not available for comment.
- Friedman, Billings, Ramsey Group Inc., a U.S. investment bank, plans to pay more than \$500 million to buy 30 percent of Ssangyong Investment & Securities Co. of South Korea, a Ssangyong spokesman said.
- The World Gold Council, a producer-funded organization, said gold demand tumbled 55 percent, to 342.1 metric tons, in the first quarter as Indonesia and South Korea became net exporters because local buying dried up and the metal was sold for much-needed dollars.
- Japan Telecom Co., the country's third-largest telephone company, said net profit fell 43 percent, to 6.9 billion yen, in the six months ended March 31 as rate cuts hurt its domestic long-distance phone revenue.
- Ricoh Co. of Japan, one of the world's largest makers of office equipment, said net income rose 5.9 percent, to 16.94 billion yen, in the six months ended March 31 on increased sales of photocopiers and fax machines in the United States and Europe.
- The China Computer Industry Association said many industrial sectors in China had been slow in attempting to "make their electronics products ready for the 2000 change," according to the official China Daily.
- Citizen Watch Co. of Japan said pretax profit rose 25.7 percent, to 31.9 billion yen, in the year ended March 31 on strong sales of watches, new product offerings and efforts to lower costs and reduce inventories.

2 Japanese Carmakers Brace for Lean Times

Compiled by Our Staff From Reuters

TOKYO — Toyota and Honda posted record profits Wednesday, but Toyota warned of a decline in earnings this year, and Nissan Motor announced a loss and a series of measures to try to improve its financial health.

Toyota Motor Corp., the biggest automaker in Japan, said group net income rose 17.7 percent, to a record 454.35 billion yen (\$3.34 billion) in the year that ended March 31, despite a 4.6 percent decrease in sales, to 11.68 trillion yen.

Group earnings include profit of the parent company, any subsidiary in which the parent's equity is half or more and most affiliated companies in which the parent has between 20 percent and 50 percent of the equity.

Honda Motor Co., the third-biggest Japanese automaker, said its group net profit rose 18 percent in the year, to 260.62 billion yen, as sales rose to 6 trillion yen from 5.29 trillion yen. The company said it expected another record-breaking performance in the current year, buoyed by brisk U.S. sales.

But Nissan Motor Co., Japan's second-biggest carmaker, said it

would post a group loss of 14 billion yen for the year, a deterioration from its previous forecast of a profit of 16 billion yen and from its profit of 77 billion yen a year earlier.

Nissan said it would freeze new overseas projects and would focus on its existing business in the United States. But it said it would restructure the U.S. business as well, reduce costs on U.S.-made cars and sell securities and property including part of its Tokyo headquarters building. The goal is to cut group interest-bearing debt by 1 trillion yen.

Analysts said Toyota would be hit by sluggish sales at home and economic difficulties in Southeast Asia, including Indonesia, where Toyota has a large carmaking joint venture and is the top-selling brand. Toyota, the world's third-biggest car maker behind General Motors Corp. and Ford Motor Co., said it expected its parent-company profit to decline nearly 18 percent in the current year, to 300 billion yen. It did not release its group outlook.

Honda's shares closed at 4,590 yen, up 20, Nissan rose 5 to 462, and Toyota closed at 3,390, down 60.

(Reuters, Bloomberg)



Nissan's president, Yoshikazu Hanawa, outlining company plans.

Slump in Asia Pulls Profit Down At Matsushita

Reuters

TOKYO — Matsushita Electric Industrial Co., the world's largest maker of consumer electronic goods, said Wednesday its group profit slipped in the year that ended March 31 as Asia's economic troubles and a prolonged slump at home hurt its business.

Matsushita offered a cautious outlook for its business and predicted its profit would be flat in the current business year.

Matsushita, which owns the Panasonic, National and Technics brand names, said its group profit, excluding the effect of an increase in its tax burden, fell 8 percent, to 126.9 billion yen (\$933.8 million).

Factoring in the impact of corporate-tax changes in Japan in the past year, group net profit was down 32 percent, to 93.6 billion yen. Matsushita's earnings are calculated under U.S. accounting rules.

"Price declines cut into profit, offsetting cost-cutting efforts and sales increases in some products," Susumu Ishihara, Matsushita's director, said.

The company expects the severe business environment to continue in Asia in the current financial year. Mr. Ishihara said it expected its profit within Asia to fall a further 10 percent in yen terms.

Hyundai's 27% Job Cut Brings Call for a Strike

The Associated Press

SEOUL — After a month of negotiations with its labor union failed, Hyundai Motors Co. said Wednesday it would cut its 30,000-member work force by 8,200, or 27 percent.

The union immediately said it would call a strike at South Korea's biggest car maker for next Wednesday.

About 40 union members began a protest in the lobby of Hyundai's headquarters in Ulsan, a city 280 kilometers (175 miles) southeast of Seoul.

"We will fight layoffs by all means," the union said. "If the management wants to lay off workers, it will also have to risk a shutdown of the whole plant."

The government has been urging debt-ridden businesses to speed their restructurings to survive South Korea's financial crisis. While asking businesses to try to avoid mass layoffs, the government

has said it would allow them as a last resort. Hyundai is the first major conglomerate to announce major layoffs.

As South Korea's economic troubles have deepened, the car industry has emerged as one of those hardest hit.

Hyundai said falling sales had left it with a surplus of 15,000 workers. The company said it could retain 6,800 of them by reducing working hours and cutting wages.

The company already has idled more than half of its assembly lines to compensate for a 50 percent drop in domestic car sales.

In February, South Korea adopted a labor law that gave businesses greater freedom to trim their work forces. The number of unemployed South Koreans has since doubled, to more than 1.5 million.

South Korea's big businesses re-

portedly plan to shed a half-million workers in the coming year — 70,000 of them in auto, shipbuilding, electronics and other key industries.

Hyundai produced 1.24 million cars last year, making it the world's 13th-largest auto producer. It exported half of its products.

Seoul to Write Off Bad Loans

South Korea said it would write off 100 trillion won (\$69.4 billion) of bad loans, taking stakes in commercial banks that could not find outside investors, Bloomberg News reported.

The government will sell 50 trillion won of bonds to help resolve the bad-loan problem and will require banks and finance companies to write off the other half through provisioning and capital reduction, Lee Kyu Sung, the finance and economy minister, said.

MICROSOFT: Seattle Sticks Up for Its Wealthy Hometown Hero

Continued from Page 15

American way. Bill Gates started it from scratch and got it to where it is today."

That view is shared by the governor of the state, Gary Locke, a Democrat.

"I don't think people or companies should be targeted by the government just because they're smart and innovative," he said. "You have to wonder if Microsoft is being attacked because of its success and its brains."

But Justice Department lawyers and Microsoft's rivals say the company has repeatedly broken antitrust laws. They say it has used its dominance in software operating systems — roughly 90 percent of all personal computers run on Microsoft systems — to stifle competition in other areas, mainly in its moves to take over the market for Internet browsers, which allow computer users to connect to the millions of sites on the World Wide Web.

If the company is successful in doing this, the critics say, a small percentage of virtually every commercial transaction on the Internet will end up in the hands of the merchants at Microsoft.

But for all its hometown roots, there are also plenty of critics of the company here, and Mr. Gates, Microsoft's chairman, is a regular target of vicious local satire. For instance, some people say it is clear why Mr. Gates, whose Microsoft stock alone is worth around \$47 billion, keeps some of the personal papers of Napoleon — a man who once had designs on

much of the world — among the artifacts usually on display at his new \$40 million home on Lake Washington.

Still, the money from Microsoft clearly has transformed this region. Except for Silicon Valley in California, the Puget Sound area around Seattle and the Boston area have the highest concentration of software companies in the United States, and many of the companies in the Seattle region are dependent on Microsoft.

Paul Allen, Microsoft's co-founder, has been acting as a sports and arts mediator, buying a professional football team, nearly a third of all the office space in the southern end of downtown Seattle and

building a huge music museum. He is also, with the help of taxpayers, constructing a football stadium for his team, the Seattle Seahawks.

Other residents have become more active in charitable giving. "We set a record this year for the biggest increase in United Way donations of any city," said Bob Watt, a former Seattle deputy mayor who is the chief executive of the Greater Seattle Chamber of Commerce.

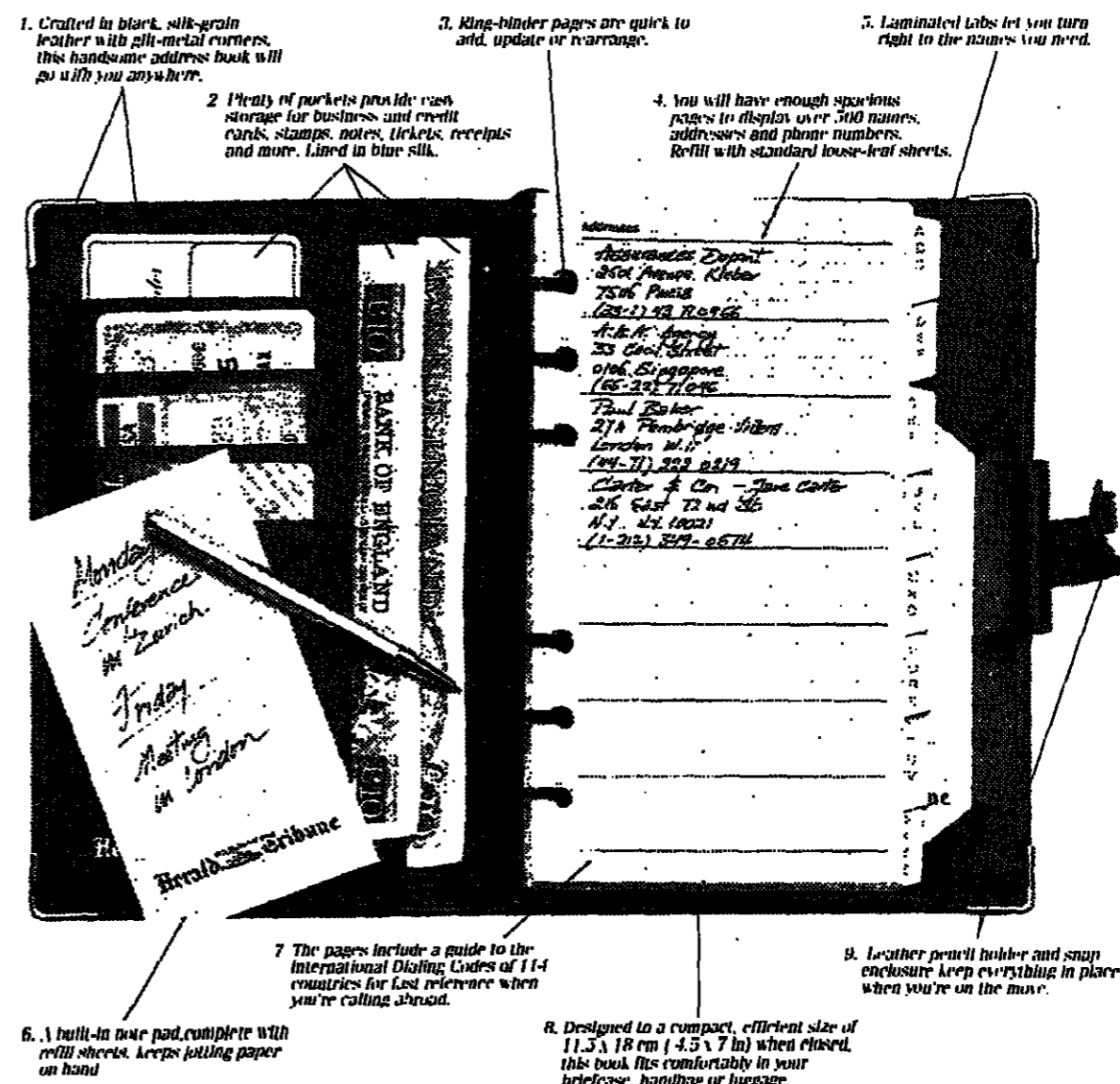
"The biggest increase in categories was those who gave over \$10,000 apiece. And the incentive was, anyone who donated that got to have dinner with Bill and Melinda Gates."

Even so, Microsoft being

only the area's fourth-largest employer, relatively few people here are concerned about the Justice Department's action. "Most of the software executives I've spoken to have been saying this is not Armageddon," Mr. Watt said.

If being accused of unlawful behavior raises the question of whether Microsoft will be hurt by its untouchable image, the answer, at least on Microsoft's home turf, is no.

"Lawsuits are not what they used to be," said Bruce Chapman, president of the Discovery Institute, a research organization in Seattle. "People used to say: Where there's smoke, there's fire. Now they say: Where there's smoke, there's a smoke machine."



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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

May 20, 1998

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FIGURE 6

AS - Australian Dollars; AS - Austrian Schilling;
BF - Belgian Francs; CS - Czech Dollars;
D - Deutsche Marks; DA - Danish Krone; DO - US
Dollars; ECU - European Currency Unit; FF -
French Francs; FIM - Finnish Mark; FL - Dutch
Guilder; DM - German Mark; HK - Italian Lire;
L - Luxembourg Franc; L - New NZR
Malaysian Ringgit; P - Pesetas; G - Swiss
Swiss Dollars; SF - Swiss Francs; S -
Singapore Dollars; THB - Thai Baht; Y - Yen;

a - asked • Other Prices; N.A. - Not Available;
N.C. - Not Communicated • New; S -
submitted S/S - Stock Split; "Ex-Dividend";
"Ex-Rts." • Other Prices; "E" - Earnings;
• Pairs indicated • American exchange
is quoted earlier; • not regulated with
regulatory authority; P. Middle of bid and offered
prices; E. estimated price; y. price calculated
2 days prior to publication; z. bid price

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Wednesday's 4 P.M. Close

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World Roundup**Miceli Takes Stage**

CYCLING Nicola Miceli of Italy edged the group by three seconds following a timely downhill attack 2 kilometers from the finish to win the fourth stage of the Tour of Italy on Wednesday.

Sergei Gontchar of Ukraine barely retained the pink jersey, holding onto a one-second lead over Michele Bartoli of Italy. The Ukrainian snatched the leadership from Alex Zülle of Switzerland, the favorite, when Zülle was delayed by a spill in Tuesday's stage.

Miceli, 26, captured his first-ever stage victory in the Giro, breaking away from the pack down the Poggio Fondoni hill — the only tough section of an otherwise flat course ending in Porto Santo Stefano. It was the second consecutive victory for the Riso Scotti team. Miceli's teammate, Nicola Minali, sprinted to victory in the third stage on Tuesday. (AP)

All NBA Team Is Named

BASKETBALL Michael Jordan of Chicago and Karl Malone of Utah, the NBA's most valuable player and runner up, were unanimous choices for the All-NBA team announced Wednesday.

Joining them on the first team were Tim Duncan of San Antonio at forward, who was the NBA's Rookie of the Year, as well as Shaquille O'Neal of Los Angeles at center and Gary Payton of Seattle at guard. Jordan, a guard, was a unanimous pick for the fifth time and Malone, a forward, for the third time. The voters are sportswriters and broadcasters throughout the United States and Canada.

The second team was made up of Detroit's Grant Hill and Seattle's Vin Baker at forward; San Antonio's David Robinson at center and Miami's Tim Hardaway and Washington's Rod Strickland at guard. Picked for the third team were Chicago's Scottie Pippen and Charlotte's Glen Rice at forward; Atlanta's Dikembe Mutombo at center and Washington's Mitch Richmond and Indiana's Reggie Miller at guard. (AP)

Hunt for Vikings Dropped

FOOTBALL The suspense is over: The author Tom Clancy dropped his bid on Wednesday to buy the Minnesota Vikings.

In a letter to National Football League's commissioner, Paul Tagliabue, the best-selling novelist withdrew his \$200 million offer to buy the team, leaving the club's future as uncertain as when it first went on the market last summer.

Clancy, the author of such novels as "Clear and Present Danger," said "The Hunt for Red October," said he knew the deal was in trouble after he met with Tagliabue on May 11 and the league's finance committee would not recommend his proposal. In a statement, Clancy said his decision was "painful, but necessary." (AP)

Yankees and Orioles Clash in Base Brawl**Hit Batter After Home Run Sparks Melee**

By Buster Olney
New York Times Service

NEW YORK — The New York Yankees went from playing a perfect game to participating in the most imperfect of games when an ugly and lengthy brawl with the Baltimore Orioles punctuated a Yankee comeback in the eighth inning, spilling into the visitors' dugout at Yankee Stadium.

The fight certainly will result in suspensions, which will be levied by Gene Budig, the American League president. George Steinbrenner, the Yankees' owner, said angrily, "I haven't seen anything like it in 25 years."

The backdrop to the fight lies in the standings. The Yankees, who won the brawl-marred game on Tuesday night, 9-5, are 29-9 and streaking. The Orioles are perhaps baseball's most disappointing team, losers of six straight games, an aging group apparently past their prime.

Baltimore took a 5-4 lead into the eighth inning, but the Yankees' Bernie Williams slammed a three-run homer with two out against Armando Benitez, Baltimore's hulking, hard-throwing reliever, to give the Yankees a 7-5 lead. With his next pitch, Benitez, whose fastball is consistently clocked about 100 miles (160 kilometers) an hour drilled Tino Martinez in the upper back, and Martinez bent over in pain.

To the Yankees, and to Drew Coble, the home-plate umpire, the pitch was thrown with malice intended. Coble ejected Benitez with a wave of his arm.

"I felt like he would throw at him," Coble said. "I didn't think he'd throw at his head, like he did."

Said Brian Cashman, the Yankees' general manager: "It was the most gutless thing I've seen in my life."

Said Derek Jeter: "The dumbest thing I've ever seen."

Even Lenny Webster, a Baltimore catcher, said, "If anybody's to blame, Armando's the guy."

There was history of bad blood between Benitez and Martinez: Benitez hit Martinez in June 1995, when Martinez was with Seattle, after allowing a grand slam to one of Martinez's Mariners teammates. That incited a bench-clearing shoving match. The Orioles were so disgusted with Benitez's reaction that they demoted him to the minors.

After drilling Martinez on Tuesday night, Benitez stepped toward home plate. Martinez stood at the plate, glaring at Benitez, and players slowly emerged from both dugouts. Darryl Strawberry, the Yankees' 6-foot-6-inch (2-meter) slugger, came out pointing at Benitez, who dropped his glove and faced the home dugout, beckoning the enemy team.

The Baltimore players met the Yankees, en masse, near the mound, some pushing, some shoving. But several Yankees said afterward that it was apparent somebody would try to reach Benitez.

The Yankees' relievers charged in from their bullpen in left-center field, led by Graeme Lloyd, who ran directly at Benitez and began swinging, and the free-for-all ensued. Lloyd, usually mild mannered, said later that he had never

been so furious about anything in all his years in baseball.

Benitez retreated to the mouth of the Orioles' dugout, where other Yankees starting rushing him, including third baseman Scott Brosius.

Mike Stanton, the Yankees' reliever, began wrestling with the Orioles' Chris Hoiles near the stands. Other players were trying to hold back Martinez from Benitez. "It was like fires were breaking out all over," said Joe Torre, the Yankees' manager.

The Yankees' reliever Jeff Nelson then broke away from Baltimore's Norm Charlton and began swinging at Benitez — and, finally, Strawberry attacked Benitez, hitting him in the face with one hard, overhand swing. Alan Mills, a Baltimore pitcher, jumped on top of Strawberry and with Martinez still struggling to reach Benitez, the fight exploded in the Orioles' dugout, players piling on, hands grabbing, fists flying, nobody sure who was trying to stop the fight and who was trying to continue it.

It was frightening confusion; veterans said later it was among the nastiest fights they had witnessed. The crowd of 31,311 roared, and the whole thing lasted perhaps 10 minutes. "It was pretty scary," Williams said. "You never knew who was going to sucker-punch you."

Paul O'Neill pulled Martinez away from the fight; Martinez was holding up two fingers. This was the second time he hit me, he said, his eyes blazing. Dale Sveum, the Yankees' utility infielder, said some Orioles around him began apologizing for Benitez's action.

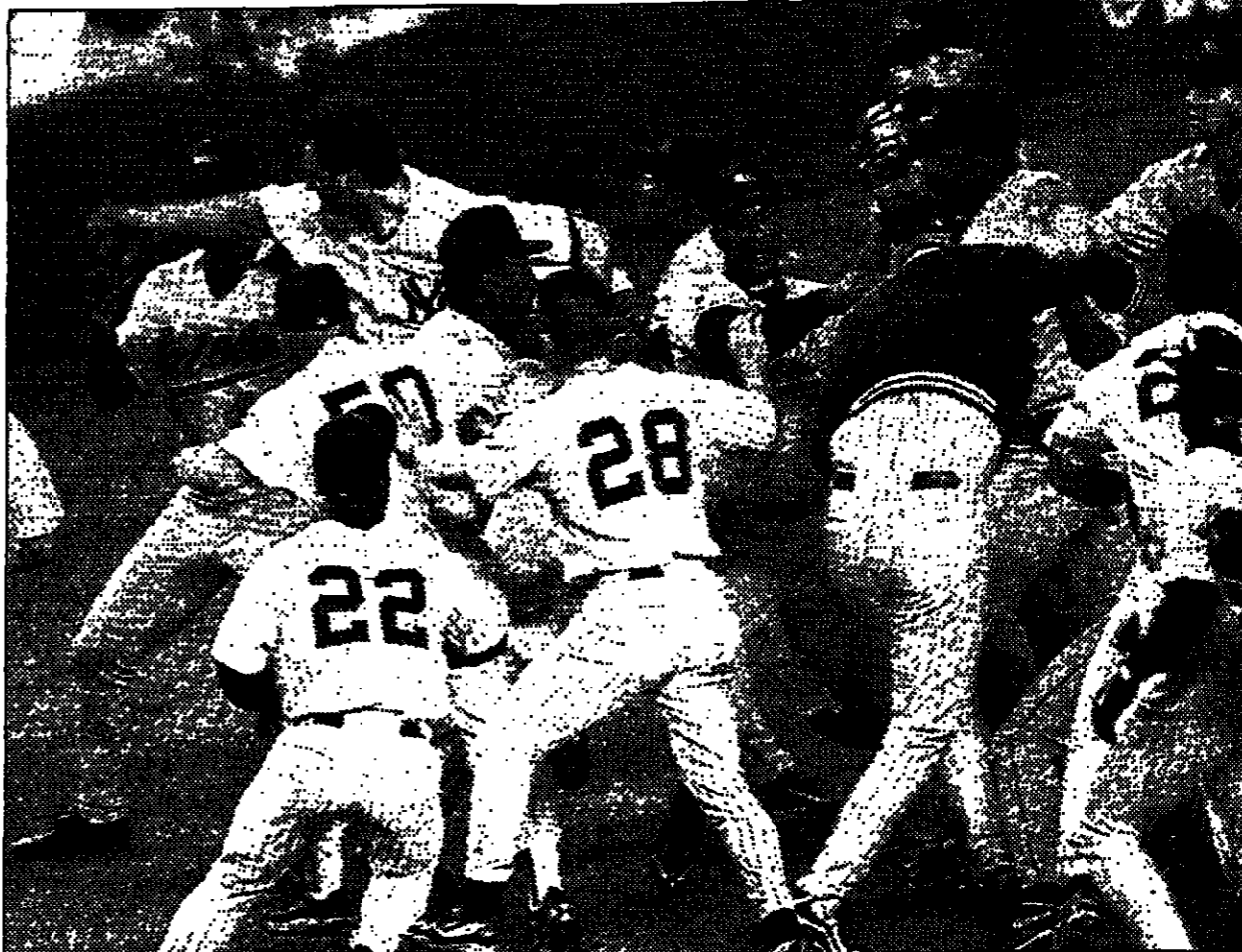
When players finally began to calm, Torre led Strawberry away and slowly, the Yankees returned to their dugout, Martinez and Nelson and others looking back over their shoulders. Coble and the other umpires conferred, then told the managers they had ejected Benitez, who almost certainly faces a lengthy suspension, based on Coble's belief that his pitch was thrown intentionally; Lloyd, who Coble said bumped him; Strawberry, Nelson and Mills.

Bobby Munoz replaced Benitez, and Tim Lincecum replaced a two-run homer, the coup de grace. The crowd exploded again and players spilled out of the Yankees' dugout to congratulate him.

It was, Torre said later, the best way to respond, though Torre obviously was satisfied his players stood up for each other in the fight. "It was a reaction," he said, "that doesn't surprise me and doesn't displease me."

Following the game, Steinbrenner rode an elevator down to the basement, incensed. "That pitcher," he said, referring to Benitez, "that guy, he should be suspended the rest of the year. That was a classless act, he's got no class."

Steinbrenner then spoke to the players, saying he was proud of them, then met the news media in the hallway outside the Yankees' locker, his face intense. "If you can't win ball games," he said, referring to the Orioles, "I guess you try to win fights. You know how close he came to hitting him in the head? The bruise on his back is this big, and we're taking pictures."



Orioles and Yankees engaging in fistcuffs after Baltimore's Armando Benitez hit Tino Martinez with a pitch.

McGwire's 3 Homers Stop Phillies

The Associated Press

Mark McGwire's second three-homer game of the season powered the St. Louis Cardinals to a 10-8 victory over the Philadelphia Phillies.

McGwire, who leads the majors with 20 homers and 52 RBIs, hit three two-run shots, the last one a 451-footer into the upper deck at Veterans Stadium in Philadelphia that snapped an 8-8 tie in the eighth on Tuesday night. The six RBIs tied a career high for McGwire, who has hit five homers in his last four games.

McGwire, who had three homers April 14 against Arizona, became the 12th player to have two three-homer games in a season. It was the fourth time in McGwire's career he has hit three homers in a game and the 45th time he has had more than one homer in a game.

John Frascatore (1-2) got the win after allowing no hits in 1 2/3 innings. Juan Acevedo pitched the ninth for his second save.

Pirates 3, Padres 0 In Pittsburgh, Jose Silva shut down streaking San Diego on four hits in eight innings, stopping the Padres' five-game winning streak.

Jermaine Allensworth tripled to drive in Pittsburgh's first run, then preserved Silva's third consecutive victory by running down Steve Finley's long drive to center field to start a double play in the sixth.

Expos 4, Astros 2 Chris Widger drove in three runs, Rondell White homered and doubled and Carlos Perez allowed five hits in 7 1/3 innings for Montreal against visiting Houston.

White went 2-for-3 with a walk, and Widger's three RBIs gave Perez (3-3) all the offense he needed.

Mets 7, Reds 3; Mets 5, Reds 3 In New York, Brian Bohannon, making just his third start of the season, allowed three hits and one run in six innings as New York took two from Cincinnati. Bobby Jones allowed four hits in eight innings and Butch Huskey hit a three-run homer for the Mets in the first game. Bohannon (1-1), making the start as the Mets played their second of seven doubleheaders this season after several rainouts, also had an RBI single in the second inning of the second game, when the Mets jumped to a 3-0 lead.

Cubs 6, Dodgers 3 In Chicago, Mark Grace drove in three runs and Tyler Houston homered to lead the Cubs to their seventh win in eight games.

Brewers 9, Giants 6 In Milwaukee, Jeromy Burnitz's three-run homer in the ninth inning lifted the Brewers over San Francisco.

With the score tied, 6-6, Fernando Vina opened the ninth with a double off Jim Poole (0-1). Vina went to third on Jeff Cirillo's sacrifice bunt and, after an intentional walk, Burnitz hit an 0-1 pitch over the right-field fence.

NL Roundup**AL Roundup****Close but No Cigar for Blue Jays' Pitcher**

The Associated Press

Woody Williams of Toronto took a no-hitter into the eighth inning before Kevin Stocker singled with no outs as the Blue Jays defeated the Tampa Bay Devil Rays, 3-1, at home.

Williams (4-2), a 31-year-old right-hander who spent most of his pro career in the minors, was trying to become the second Toronto pitcher to throw a no-hitter in the team's 22-year history.

But his bid was broken up Tuesday night by Stocker, who grounded a single to right after the leadoff batter, Randy Winn, walked. Winn then scored on Miguel Cairo's groundout.

That was the only hit allowed in eight innings by Williams, a former reliever who started the season with an 18-25 major-league record. He struck out six and walked four. Randy Myers pitched a

one-hit ninth for his 10th save as Toronto snapped Tampa Bay's four-game winning streak.

White Sox 9, Red Sox 5 In Boston, Frank Thomas's three-run homer capped a six-run fifth inning, and Ruben

Sierra and Ray Durham also homered to lead Chicago over the Red Sox.

Twins 8, Tigers 3 The Twins rebounded from David Wells' perfect game with 15 hits, including three from Terry Steinbach, for a victory over visiting Detroit. Steinbach, who sat out Sunday's 4-0 loss to Wells and the New York Yankees, went 3 for 4 with three runs batted in. He came into the game hitting .188, with one RBI in his last 11 games.

Indians 16, Royals 3 In Kansas City, Manny Ramirez hit a three-run homer and Sandy Alomar singled twice in a seven-run fifth inning that powered Cleveland over Kansas City.

Rangers 10, Mariners 4 Mike Simms and Mark McLemore hit three-run homers as host Texas beat Randy Johnson for the first time in 13 starts since 1993. Johnson was 8-0 in his previous 12 starts against the Rangers, but he left after only three innings with the Mariners trailing, 6-1. Johnson (3-3) allowed six runs and five hits before he was replaced by Bob Wells to start the fourth.

Angels 4, Athletics 3 In Anaheim, Darin Erstad beat out an infield single and later scored on Mike Blowers' throwing error in the 10th inning as the Angels beat Oakland.

CROSSWORD**ACROSS**

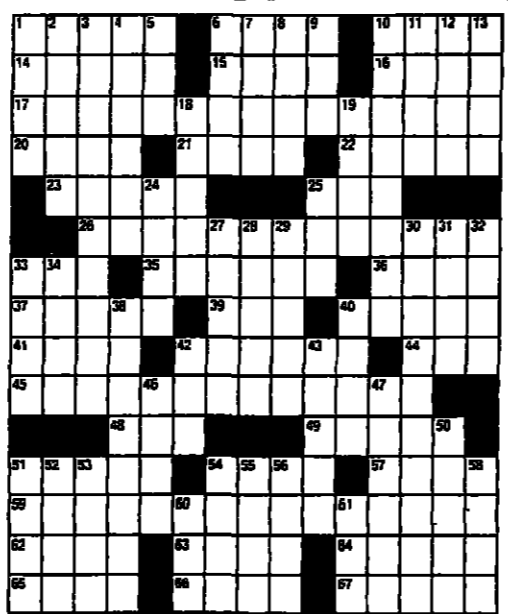
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- 6 Big name in plastic
- 10 Lean
- 14 Sea shades
- 15 Minds' is?
- 16 Home health worker
- 17 Chewy oloos?
- 20 Carry on
- 21 English estate owner, maybe
- 22 Weasel in brown
- 23 Olin and Horne
- 25 Tommy who sang "Dizzy" 1969
- 26 Bakery oloos?
- 33 It's the law
- 35 In reverie
- 36 Word on a U.S. coin
- 37 Make smoking, e.g.
- 39 Hump-shouldered animal
- 40 Noted cow name
- 41 Rake part
- 42 Rolls filler
- 44 Relative of -an
- 45 Oloos for actress Cartwright?
- 48 Veto
- 49 Jousting bouts
- 51 Turn on the dramatics
- 54 Prescription particular
- 57 Resound
- 59 Bring an olo to a dance?
- 62 Winter Palace dweller
- 63 Org in rights fights
- 64 Baseball Hall-of-Famer Charleston
- 65 Slangy greetings
- 66 Chinese idol
- 67 Extremely
- 12 Home tweet home?
- 18 Do a lawn job
- 19 Starting
- 24 "The People's Choice" historian Herbert
- 25 Grog ingredient
- 26 Prods
- 28 State's rights amendment to the Constitution
- 29 Spanish actress Carmen
- 30 Asseriveness
- 31 Sow follower
- 32 Bob Hoskins's role in "Hook"
- 33 Hammett sound
- 34 Gym exercise
- 36 Inputs anew
- 40 For all grades, as textbooks
- 42 Saturn antithesis
- 43 Bone Prefix
- 46 Inventions, so to speak
- 47 Fort Bliss site
- 50 "Cosmos" creator
- 51 Write permanently
- 52 Daedalian creation
- 53 Go-ahead
- 54 Erte's forte
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- 56 Apt name names for this puzzle
- 58 Baron's title
- 60 — Mahal
- 61 Style, Elle-style

Solution to Puzzle of May 20

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MASH UNSTRAP
AUTOPSY SALOONS
CRADLE BECKETT
HAGGARD SITUATE
ENSURED SYST
TEMPT DEALS
OLIO HENNY PENNY
TEND ASCE ELIDE
AGOG HUGO ALCAN
LYRE APES REEKS

DOWN

- 1 Ten of "Dumb & Dumber"
- 3 Full partner
- 4 Overthrowing
- 5 Belgian airline
- 6 Sugar suffix
- 7 Dr. Frankensteins' assistant
- 8 Popular music category
- 9 Communication for the deaf: Abbr.
- 10 Esthetic
- 11 Ritz rival
- 12 Fancy



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ART BUCHWALD

Full-Contact Politics

WASHINGTON — Welcome to the "Jerry Springer" show. See women beat each other up as the man they are fighting over sits there with a dumb look on his face. Watch as heavy bouncers break up the brawl and make the participants sit back in their chairs until they go at each other again. It's more honest than wrestling and is now the top-rated daytime show on TV. Although Americans deplore it, they are addicted couch potatoes.



Buchwald

Springer." Or "Jerry Springer" is getting more like Washington. This is how I see the show going to Washington. If you sit a Democrat and a Republican on the same set, with a taxpayer in between, the Democrat would attack the Republican, or the Republican would attack the Democrat, without remorse. All you would have to do is seat Dan Burton, the Republican representative who leaked the Hubbell tapes, against the Democrat Henry Waxman and they would start tearing out each other's hair (even though Waxman has no hair) until the bouncers came on to separate them.

Not only members of Congress, but others could be booked on the show, including Monica Lewinsky and Linda Tripp. It would be a good fight since both of them have a lot of hair, and I'm sure Jerry Springer would let them go at each other awhile before he'd signal his bouncers to move in.

Paula Jones would also be a good candidate — particularly if Springer could talk Hillary Clinton into going on with her.

It would bring this brain-dead capital to life. There is no end to the possibilities. Ken Starr could fight it out with President Clinton's lawyer, Robert Bennett. Newt Gingrich against anybody. People are sick and tired of their leaders in Washington not resorting to violence.

Jerry Springer has shown us the way. Seeing people who don't agree kicking each other in the groin is something the country is dying for. With just a slight push from the public, every politician would walk the extra mile.

Orson Welles Work To Star at Chichester

LONDON — A new production of "Chimes at Midnight," conceived and arranged by Orson Welles, will be a highlight of the summer festival season of the Chichester Festival Theatre in Britain. Adapted from Shakespeare's "Henry IV, Parts 1 and 2" and "Henry V," the play focuses on the irrepressible Falstaff.

The season opens Wednesday with Eduardo de Filippo's comedy "Saturday, Sunday, Monday," until June 27. David Hare's "Racing Demon" will be next, from July 1 to Aug. 1, followed by "Chimes at Midnight" from Aug. 5 to Sept. 5.

A Director Keeps Childhood Tucked in His Pocket

Joan Dupont
International Herald Tribune

CANNES — Claude Miller, at the festival for the first time in his long career, knows he is treading on thin ice with a movie that has a chilling timeliness.

"La Classe de Neige" (The Class Trip), in competition, is about a child terrorized by domestic secrets. Adapted from Emmanuel Carrère's prize-winning novel, the movie opens on Nicolas, a wan pre-teen who joins his classmates in the Alps. He is being driven by a father who sees danger everywhere, and who turns out to be at the root of the boy's worst nightmares.

"The subject touched me," the director said, "because I've made movies on teenagers, but I wanted

CANNES FILM FESTIVAL

to show how a child handles adult sexuality — in this case, perverse sexuality. Because children today know about child abuse. There has been so much in the media, even if they are not directly affected."

Since his first film in 1975, "La Meilleure Façon de Marcher," about a teenager's sexual awakening during summer camp and his terrible punishment for being different, Miller has often focused on the isolation of young people. "I'm sensitive to children and want to understand where their fears and phobias come from. I think the way a kid overcomes fear says something about the kind of adult he will become."

Nicolas has plenty to worry about when he arrives at the ski lodge. His father is so anxious to take off — he is a medical supplies salesman and has visits to make and miles to go — that he forgets the boy's bag in the trunk of the car.

Nicolas is left without his ski gear, without pajamas, panicked that he will wet his bed. Although he says he prefers staying awake all night to his nightmares, the boy drops off to a series of hallucinating flashbacks and projections. During

the day, he transforms these visions into stories he tells himself, a boy as dark as Nicolas is pale, brimming with manic energy and morbid appetite — not exactly a reliable friend.

"Nicolas can't even confide in his friend," Miller said. "The secret is too horrible, because his unconscious knows what's what, but a boy in that situation can only tell lies." By the end of the film, the director leaves us feeling that Nicolas has gone through the worst, and, faced with the dire truth, may come out on the other side. "I never knew if a boy's fears are worse than a girl's fears," Miller said. "Perhaps they are — boys are always afraid of being too small."

The director, who has a gentle manner, is known for his masterful touch with children. He got superb performances from Clement Van Den Bergh, who plays sensitive Nicolas, and Lokman Nalcakan, the friend who feeds on his suffering.

Born in 1942, Miller feels that his recurring fascination with childhood trauma has to do with the war. "Even though I was small, I know it affected my personality," he said. "I had lots of childish fears and anguish; loud noises terrified me. I think it all may have started in my mother's womb. She was so frightened, simply because we were Jewish and we had to hide. I always felt my mother's fears passed right into my bloodstream."

His family moved to the countryside near Tours, where his father worked as a farm hand; after the Liberation, they went to Paris. "We were simple people," Miller said.



Claude Miller with some of the actors in his film "La Classe de Neige."

"My father did odd jobs: He was an upholsterer, then he worked in the garment center, but his best job was when he was ticket-taker at the Rex theater, the magnificent movie house where I saw 'Pinocchio' — a movie that scared me to death."

His vocation, he said, was born in that movie house. "Like Woody Allen in 'Radio Days,' I just dreamed of being part of that world. I became a fan of cinema." He graduated from IDHEC, the prestigious French film school, at the top of his class, and worked on Jean-Luc Godard's "Deux ou Trois Choses Que Je Sais d'Elle."

"Then, François Truffaut was

looking for a production manager on 'Baisers Volés,'" Miller said, "and they told me that he wanted somebody who was young and a cinephile. I made 10 movies with Truffaut." He also worked as an assistant to Marcel Carné, Robert Bresson and Jacques Demy.

When he stopped working with Truffaut, he made "La Meilleure Façon de Marcher," which won a César, the French version of the Academy Awards, for best cinematography.

Miller said he didn't think his collaboration with the director of "Les 400 Coups" had an impact on his own fascination with child-

hood. "Truffaut taught me other things, how to be independent as a filmmaker, how to handle my career and get involved with the production."

On "La Classe de Neige," Miller's wife, Annie Miller, acted as associate and executive producer in co-production with Warner Brothers, which put up 20 percent of the financing and will distribute the movie in France.

Miller has a solid reputation for successful films. "L'Effrontée," inspired by Carson McCullers' "Member of the Wedding" and starring Charlotte Gainsbourg in her debut role, won a César and the prestigious Louis Delluc prize.

"I wanted to work with Charlotte again and Claude Berri had the rights to 'La Petite Voleuse,' a script François had written and never directed," Miller said. It was a story of a young girl astray and once again, he showed a deft hand at adapting a novel. He made movies out of

Nina Berberova's "L'Accompagnatrice" and Patricia Highsmith's "This Sweet Sickness," which she told interviewers she disliked because of the blatant sex scenes.

Ten years later, the Cinéma-mathèque ran a program of movies made from her novels. She came up to me and said, 'I saw the movie again and maybe I said things that I don't think anymore today.' I was very touched. I love her early novels, and this one too is about unhappy people who aren't really grown up. That's probably why the book appealed to me. We carry our childhood with us, tucked away in our pocket, all our lives."

PEOPLE

THE life and voice of Frank Sinatra were celebrated at an emotional vigil in Beverly Hills for family, friends and a who's who of the entertainment world. More than 400 people attended the private vigil Tuesday night, led by Cardinal Roger Mahony, archbishop of Los Angeles, around Sinatra's garden-laden casket in Good Shepherd Roman Catholic Church. A medley of Sinatra songs was played and a choir sang. Spanning the Hollywood spectrum, mourners included Liza Minnelli, Gregory Peck, Kirk Douglas, Robert Wagner, Mia Farrow, Milton Berle, Shelley Winters, Wayne Newton, Tom Selleck, Paul Anka, Ed McMahon, Anthony Quinn, Jack Lemmon, Red Buttons, Angie Dickinson and Joey Bishop, the only surviving member of the Rat Pack. Tony Bennett said in a speech, "We all fell in love, fell out of love and fell in love again to the sound of his voice." The funeral Mass and burial were scheduled for Wednesday. The Sinatra family Web site, which is run by his children, said that Sinatra fought for his life, and that his final words were "I'm losing."

On his birthday, Bob Hope gave thanks to his adopted country by donating his 95 years of memories to the United States. Hope and his wife, Dolores, said they would turn his personal papers, recordings of radio and television broadcasts, prints of movies, scripts, photographs, posters, and compilations of jokes over to the Library of Congress. Born in Eltham, England, Hope came to the United States when he was 4. On Sunday, the British ambassador in Washington, Sir

Christopher Meyer, awarded Hope an honorary knighthood on behalf of Queen Elizabeth.

Fourteen new members were inducted into the American Academy of Arts and Letters on Wednesday, and gold medals were awarded to the artist Frank Stella and the playwright Horton Foote. Honorary membership was conferred upon four foreigners: Charles Correa, the Indian architect; Arata Isozaki, the Japanese architect; Krzysztof Penderecki, the Polish composer, and Gerhard Richter, the German painter. The 14 new members are the artists Lois Dodd, Cleve Gray, Richard

Napoleon Lives On at Auction

NEW YORK — A lock of hair believed to have been taken from Napoleon Bonaparte during his exile on the island of Elba in 1815 sold for \$9,200 in an auction here. The circularly framed lock of hair inside a blue case was purchased Tuesday by a private American collector, said Vredy Lytsman, a spokeswoman for Christie's. The presale estimate for the hair was \$2,000 to \$3,000. The lock was one of 300 Napoleon items for sale at the auction, which earned more than \$1.2 million for the Western Reserve Historical Society in Cleveland.

Hunt, Brice Marden, Louisa Matthiasdottir and Joel Shapiro; the writers Russell Banks, Louise Erdrich, Robert Fagles, Foote, Richard Ford and Ernest Gaines, and the composers Mel Powell and Joan Tower. The Academy's Award for Distinguished Service to the Arts was presented to Agnes Gund, president of the Museum of Modern Art.

The Franklin Mint, which is being sued by the estate of Diana, Princess of Wales, denied it was unlawfully exploiting her name to sell memorial plates and other products. The company said it had already donated more than \$1 million to Diana's favorite charities. "This lawsuit must be a mistake," the Franklin Mint said in a statement.

Jerry Seinfeld can take this comforting fact with him to retirement: He went out on top. Impressive ratings for the final episode, broadcast last week, guaranteed "Seinfeld" the distinction of the year's top-rated show in the United States, where the finale drew about 76 million viewers. It defeated "ER," which had held that ranking for the previous two years.

At the presentation of two exhibitions in Gianni Versace's memory, Santo Versace, his brother, called for a museum in the slain fashion designer's name. The exhibitions are due to open June 16 in Como, Italy.



Kirk Douglas and his wife, Anne, at the Sinatra vigil.

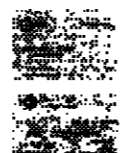


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